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No. 5, May 1979

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CONTENTS	PAGE
The Development of the American Worker's Class Consciousness (Ya. N. Keremetskiy).	1
The Power Factor in U.S. Global Strategy (V. F. Petrovskiy).	19
Present-Day Problems of Economic Federalism in the United States (A. A. Volodin).	32
New U.S. Legislation and the International Legal Order (I. P. Blishchenko and M. F. Zubkov).	50
The Struggle to Maintain the Canadian Confederation: Looking for a Compromise (V. Ye. Shilo).	64
The City, the Family, the Future (I. V. Bestuzhev-Lada).	79
Washington and Chinese Aggression Against the SRV (B. N. Zanegin).	95
Joint Action to Protect the Environment (I. G. Vasil'yeva and V. I. Sokolov).	101
The Republicans Seek a Candidate (O. N. Anichkin).	109

CONTENTS (Continued)	Page
Washington and Dictator Somoza (Ye. V. Mityayeva)	115
Leasing in the U.S. Economy (S. Yu. Medvedkov)	120
'Grown-Up Young' Americans of the Seventies (L. A. Salycheva)	134
Cities in Crisis (N. B. Yaroshenko)	139
Electronics in the Office* (Yu. A. Ushanov)	142
Book Reviews	
Arms Trade Control (A. V. Kemov)	143
Management Information Systems, Services (G. B. Kochetkov)	147
Television in American Life (A. B. Pankin)	151
Detective Agencies (O. L. Stepanova)	155
Economic Relations With Developing Countries (F. A. Goryunov)	157

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THE DEVELOPMENT OF THE AMERICAN WORKER'S CLASS CONSCIOUSNESS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 3-16

Article by Ya. N. Keremetskiy

Text In the United States of the late 1970's it is being recalled more and more often that the "blue-collar workers," the workers of physical labor, were the main striking power of all the mass coalitions, which led to the abrupt changes in domestic and foreign policy. That is how it has been since the times of T. Jefferson and A. Jackson. In special studies devoted to the status and frame of mind of the workers today (the number of these publications is constantly increasing), their authors come to the conclusion that the future of American politics will depend to a decisive extent on the political conduct of the "blue-collar workers," on the possible participation in mass coalitions and movements. Whereas in the 1950's and 1960's the ideologists of the establishment, and, following them, of the "new left," integrated the "bourgeoisized" white workers, that is, the majority of the industrial proletariat, into the capitalist system and wrote them off as a sociopolitical force, in the 1970's the working class is recognized as the force which is undermining the social and political stability of this system. The establishment ideologists, having "revealed" to themselves the discontent of the working masses, who are considered from their point of view a part of the "middle class," concluded that "politically it is not only naive, but also fatal to underestimate the strength of the workers in blue collars."¹

Quite recently the ruling circles consoled themselves with arguments about the "historical decline" of the working class, about its transformation into a "social minority," about its complete "loss" of class consciousness. But today these circles are worried by the increasing ability of the working class to conduct, in the words of D. Bell, "a policy of the mobilization of forces" and to organize "direct pressure."²

Sociologists and political scientists assert that this capability for struggle increases as even those workers, who it is customary in bourgeois statistics to ascribe to the receivers of a "middle income," change their

views on the economic and political system prevailing in the United States, freeing themselves from the dogmas of the ideology of "Americanism." The first thing that is noted in the surveys of "blue-collar workers" is the destruction of the illusions which were born of the "age of prosperity" and received the name "excessive expectations with respect to the system."

Sociologist and trade union figure Gus Tyler described the psychological state of the workers, who in the 1950's moved to the "respectable" suburbs, as follows:

"The increase of income gave rise to a living style, which was based on increasing expectations. You mortgaged your life for the sake of buying a house (meaning the payment of credit on real estate for practically the entire working life of the workers--Ya. K.), counting on earning more in the future. You bought everything on installment--from a baby carriage to a car. You planned the future for your children, counted on pleasant, socially acceptable neighbors, on a good school, on the possibility of putting aside the money necessary to send your children to one of the best colleges, perhaps even to Harvard or Vassar. You tried to 'achieve' all this, no matter how much you had to work and save, no matter how often it was necessary to go into debt and no matter how late you had to return home from your second job. You had hope! You did not even object to paying higher and higher taxes, since your real income was increasing. You considered taxes as an investment in the future--in a better life in the city and the nation. You would not enjoy this life tomorrow, but your children would enjoy it. The future served as a mental guide for you. As a result, a large class of workers became the mass base of social stability in America."³

Bearing in mind above all and primarily working "middle" America, bourgeois ideologists conclude today that the United States is experiencing the greatest "revolution of betrayed hopes" in its history and that this "revolution" is the most important sociopsychological factor of the "accumulation of the potential of discontent of the working masses," the increase of social instability of the system.

The compromising attitude toward the system earlier was caused, however, not so much by the increase of real wages and the standard of living, since the majority of "blue-collar workers" (excluding the relatively small group of the "working class aristocracy," especially the well-paid workers) were constantly dissatisfied with this level, as by the hope for an opportunity to move steadily up the social ladder. The workers imagined this movement as an increase of their own "fair share" in the growing public wealth and the gradual decrease of the social distance (from the standpoint of income and "living style") between the workers and the powers that be. Such notions were persistently spread by the system of manipulation of public opinion, they were perceived as the main ideological promise of "regulated capitalism." The ruling circles intended by means of this promise to "kill" among the working masses the interest in developing the economic and political struggle for the redistribution of the public wealth among the classes;

for instinctively the masses felt that the increase of public wealth was not leading to a "revolution in income" and was not decreasing the social inequality in society.

As is noted by A. Levison, the author of one of the most reliable works on the problems and frame of mind of the workers belonging to "middle" (from the standpoint of the amount of income) Americans, it seems to him that "America after World War II gave (its citizens) the promise to 'act fairly.' This meant putting an end to such a division of society into classes, in which case only the rich could live a full life, in comfort. Nobody promised to make the workers equal in income with company presidents, but the workers believed that they could at least expect a fair share (upon realization) of the 'American dream'.⁴

A significant portion of the "blue-collar workers" connected the specific, so to speak, empirical notions about this share with the buying of their own home in the suburbs and the opportunity to ensure that their children received a higher education. The broadening of these opportunities for the children of workers under the conditions of the development of the national system of higher education gave rise to "a new sense of social mobility, expectations of upward movement in many white families of 'blue-collar workers'.⁵

After the depression of the 1930's there gradually spread a compromising attitude toward the system, which bore the nature of a revival of faith in its ability to ensure the realization of the "American dream," in the existence not only of "equal," but also of increasing opportunities for the social advancement of workers and their children, for the change to groups of people of the free professions, managers and businessmen. Throughout the history of American capitalism this belief, as is known, prevented the workers from recognizing the impossibility of having on their side the collective strength of their own class for the sake of improving their own social status, for actually obtaining a fair share in the "American dream" by redistributing the public wealth among classes.

The openness of the boundaries between the main classes, which historically was greater than in Europe, predetermined the peculiar stability of the individual traits, aspirations and desires of the American workers.⁶

In the 1970's the sense of "social mobility" and the expectations of "upward movement" gave way to disenchantment and indignation. The "American dream" is being transformed into a factor of the radicalization of the consciousness of the masses: white workers, even after moving to the suburbs, are now convinced that chronic inflation, the increase of taxes and consumer debt, recessions and unemployment are reducing more and more the share of precisely the "average" individual in the public wealth. American capitalism is in the trap of the "hallowed traditions" of the illusions of the mass consciousness. The mass media in the 1970's have been filled with moanings: "The people are tormented by the feeling that the 'American dream' is coming to naught for them."⁸ The greater and greater impossibility for working class families to provide themselves with their own homes

due to the increase of prices, the interest for mortgages and property taxes is giving rise above all to the sense of disenchantment and indignation. By 1976 the increase of the number of families buying new homes on credit had halted and the tendency for the number of families having real estate to decrease appeared. BUSINESS WEEK with good reason reported that a new one-family house, the cost of which has increased to \$50,000, has become an attribute of luxury. This, in the words of the magazine, is destroying the customary vital expectations of those who do not belong to the category of the rich. The working class suburbs are on the decline, and the tendency for their inhabitants to return to the cities is appearing more and more strongly.

In AMERICAN FEDERATIONIST G. Meany assures us that "American workers believe in the system, since it is transforming them into the middle class." But even this AFL-CIO magazine sounds the alarm about the "flaws" of the system, which are making the "American dream" "vague and indistinct." The magazine states that an education at first class higher educational institutions costs more than \$5,000 a year; this, in the words of the magazine, "is an excessive burden for families with a middle income." The magazine gives it to be understood that in the eyes of the workers the opportunity to "make a career" in the United States is becoming more and more a monopoly of children from the families of the upper "middle class"--businessmen, managers, government officials, people of the free professions, and this is aggravating among the workers the consciousness of their own social inferiority.

DISSENT magazine, in analyzing the sociopsychological, as well as the potential political consequences of this phenomenon and of the practical impossibility in many instances for college graduates to "make a career," to increase their income and prestige due to the overproduction of workers of mental labor, writes: "This is where the point of crisis and pain lies. To spend years on education is in the end to be convinced that this has led to nothing. Add to this the disenchantment and indignation of parents: their monetary outlays are equivalent to the time wasted by their children, and their hopes gave rise to their children's hopes. If a higher education leads not to a career, but to a dumping ground, where college graduates with academic degrees are thrown, here lies, as R. Mills would say, /the real intersection of the lines, where personal misfortunes become social problems/ [in boldface]. And this social problem contains the potential of a struggle for social change."⁹

According to the forecasting data of the Bureau of Labor Statistics, in 1974-1985 about 950,000 college graduates will not be able to find work in their specialty and will have to work at a nonprestigious, comparatively low paid job, including physical labor.¹⁰

The main dogma of bourgeois liberal ideology--the myth of the ability of regulated capitalism to "erase" the boundaries between the working and "middle" class and to create (on the basis of stable economic growth and the increase of the opportunities to obtain a education for the children of

"blue-collar workers") a "classless society" which is free of the class struggle for the redistribution of public wealth--has been compromised in the eyes of the comparatively well-to-do portion of white workers.

In all the national surveys of the 1970's approximately 80 percent of the population, that is, an enormous mass of workers, have expressed the conviction that in the United States "the rich are becoming richer and the poor are becoming poorer." Meanwhile, back in 1966, according to the data of L. Harris, only 45 percent of the adult population shared this opinion.¹¹

The social polarization of society has become a universally recognized fact in the United States. The working masses of "middle America" are freeing themselves from the mental inertia of the 1950's and 1960's. The serious doubts with respect to the prospects and potentialities of the "unique" model of capitalism in the United States determines the main direction of the process of developing the new public views of the workers, who believed in the myths spread by the ruling class. "The system does not work"--this opinion is becoming widespread in the working class environment. In the United States, where the ideology of bourgeois individualism, of "equal opportunities for social advancement" still has an influence on the consciousness of the masses, the destruction of the belief in the "workability" of the system is of enormous importance from the standpoint of the recognition by the workers of their class interests.

Bourgeois theorists proceed from the postulate which states that "industrial society was able to sublimate political life for the workers through the process of individualizing their class problems." In plain English this means that the workers tend to blame themselves, and not the capitalist system for the futility of the efforts to improve their own material and especially social status.

Such an erroneous opinion is indeed quite widespread in the United States, especially among the unorganized workers with a low level of development of class consciousness. But, as surveys in the 1970's show, today among the workers the conviction that working people can advance only by uniting their ranks is becoming more and more widespread. During a survey of auto workers this version of the response to one of the questions posed by sociologists received 100 percent of the votes.¹²

Under the conditions of inflation, the increase of taxes, great unemployment, the increase of the cost of education and the depreciation of education it is becoming senseless to "individualize" life's misfortunes, to lay the blame on the individual's lack of the personal qualities necessary for successful attempts to ascend the social ladder. "I say to myself: you should not blame yourself, friend. Such is the system. There is simply no work here," reasoned a steelworker from Buffalo.¹³

The reevaluation by the working masses of their attitude toward the capitalist system is creating a sociopsychological situation in which the personal

interest of the individual workers are coinciding more and more with the classwide interest of the struggle to change this system. Gilbert Green, in analyzing the objective and subjective conditions and possibilities of developing the class consciousness of American workers, stresses the decisive influence of the aggravation of the main contradiction of capitalism on the process of radicalizing the consciousness of the workers. "For the workers of the United States," he writes, "it is not simple to recognize the main interests of their class. American capitalism throughout its history has consolidated petty bourgeois ideas in every way among the workers. The great social mobility and, as a rule, the higher standard of living than in other countries—all this was taken advantage of by the bourgeoisie so as to extinguish the sparks of socialist consciousness in the working class of America."

Further, in speaking of the fact that the ideological influence of the bourgeoisie, which increases during periods of the comparatively "successful" functioning of the capitalist system, does not stand up to clashes with the historical experience of the masses during periods of profound crises of this system, G. Green concludes: "When it appears that the system is functioning normally, the notion is created that there are no particular grounds to take up a struggle against its vulnerable aspects. But in the 1930's, when it became obvious that the consequences of the general decline and the developing depression could not be ascribed to the failures of individual people or groups, the working class showed greater community in its position, cast aside the secondary differences and prejudices—and its unity and consciousness increased in this struggle.... At present we are on the threshhold of a similar phenomenon."¹⁴

For a significant section of the unorganized white workers, who perceived the existing system of the class state as something that goes without saying, is possible and necessary, the beginning of the process, about which G. Green is speaking, proceeds in a complex, painful and contradictory way. The antimonopoly moods, which are caused by the conviction that the inhuman insatiable thirst for a profit, inflation, unemployment and the regressive class tax system are conducive to the concentration of wealth in the hands of the "rich" and increase their power over the "average man," often get on with conservative frames of mind and prejudices, which interfere with discerning in the domination of monopolies the main reason for the worsening of the class situation.

The disenchantment in the "welfare state" and the most complicated work on the reevaluation of the values of "Americanism" for many workers coincided with the attempts to break the fetters of the old compromising, conformist psychology. But, being exposed at the same time to the increased influence of the struggling ideological forces, significant groups of working "average" Americans in the 1970's were in a state of confusion, at the crossroad of ideology. In the structure of their social consciousness elements of still persistent, erroneous petty bourgeois illusions and notions were interwoven with elements of a developing class consciousness. Their notions about the reasons for the "unworkability of the system" continue to be strongly

influenced by what F. Engels defined as the narrowness of the practical view among Anglo-Saxon workers, their lack of experience in interpreting theoretically the phenomena of capitalist reality, which is acquired under the conditions of the influence of socialist ideology on their consciousness.

In recent times the sociopolitical situation in the United States has been characterized by the ideological and political activation of the extreme forces of the reaction. By playing the role of the defenders of the "old values of Americanism"--individual freedom, racism, the Protestant work ethic--and by preaching animosity toward extravagant bureaucratic government and its increasing interference in public and private life, the right-wing forces are attempting to push the white workers, who are receptive to right-wing populist demagogic, onto the path of creating conservative political alliances with the bourgeois and petty bourgeois strata of society on behalf of saving the "ravaged middle class."

The right-wingers, as Comrade Gus Hall stressed in his report at the Plenum of the Central Committee of the Communist Party of the United States, are concentrating their efforts on the problems which affect most of all the emotions of "middle America." The increase of federal and local taxes under the conditions of inflation is causing the greatest indignation of the working masses.

The "average" Americans are upset by the fact that, according to their conviction, they bear the greatest burden as a result of the tax and social policy of the country as compared with the recipients of the highest and lowest incomes, that this burden is considerably greater than their share in the social payments of the country, which are returned to them. This conviction has transformed taxes into the most explosive social problem, as the participation of white workers in the tax "rebellion" of the middle class shows. Their participation in the protest is prompted by the fact that for the workers who moved to the suburbs the property tax has become the most stressing form of taxation. Under the conditions of inflation the participation of the workers in the tax "rebellion" serves in its very essence as a manifestation of the mighty anticapitalist reaction which is caused by fear and the desire by any means not to allow the ruining of the customary norms of the standard of living. But under the influence of the propaganda of the right-wingers in its motives and consequences this "rebellion" has assumed a conservative nature and, what is more, is aimed against the interests of the workers as a class. The propaganda of the right-wingers is intended for those groups of white workers, which believed that "the rich have conceded to the demands of the poor, and middle income people have to foot the bill."

Class instinct correctly suggests to them that the upper bourgeoisie, in the words of K. Marx, knows how to shift the burden of official pauperism onto the shoulders of the working class. But racial prejudices and the sense of social egoism distort the notions about the true causes of the increase of taxes.

The Great Society programs of L. Johnson, which were extracted by the civil rights movement, gave rise among the workers to the opinion that the ruling elite had betrayed their interests, had transformed them into "forgotten Americans," since organizations of ethnic minorities, above all the black population, had ostensibly become one of the "dominant" groups in society. The activity of the organizations of the ethnic minorities, which are striving by means of a quota system to ensure the socio-economic equality of blacks with whites (above all in hiring and in admissions to higher educational institutions), under the influence of the demagogic of the right-wingers is regarded by considerable groups of white workers as "reverse discrimination."

The percentage of workers, who consider themselves supporters of the curtailment of the social programs of the government welfare system, the financing of which has actually been placed mainly on the shoulders of working class, "middle" America, increased during the 1970's. These workers were the victim of the principle of "divide and rule," which was placed at the basis of the tax system and the "liberal" government social policy.

By setting the workers of "middle" America on any pretext against other strata of workers and against the destitute masses, right-wingers are attempting to mobilize forces to exert direct political pressure on the government, which would lead to a sharp reducting of the spending for social needs in general, in which big business is so vitally interested.

However, the policy being pursued by the right-wingers of destroying the "liberal Roosevelt coalition" and creating a "new conservative majority" in the country is in irreconcilable conflict with the general profound interest of the masses of white workers in carrying out those social reforms which conform to the interests of all workers. The workers with the highest degree of development of class consciousness (and the members of the mass production trade unions above all belong to them) are for the radical reform of the regressive class tax system, being convinced that it does not serve redistribution; "the tax laws were written to help the rich, and not the average man." This conviction is conducive most of all to the spread among the workers of the 1970's of left-wing populist political frames of mind.

The workers do not doubt that the state "which transcends class" is at the service of the most powerful group of "special interests," the upper crust of the capitalist class, and therefore it is necessary to seek a drastic increase of the taxes on corporations and the rich. This conviction serves as one of the main, progressive traits of the politicization of the consciousness of the masses of working class, "middle" America, since the understanding of the class, antiworking class nature of the government is manifested precisely in this issue.

The developing and intensifying process of politicizing the consciousness is the main thing which distinguishes the workers of the 1970's from the generation which determined the mood 15-20 years ago, typical of which were

political apathy and purely formal, passive participation in political life.

The studies of the social consciousness of working class "average" Americans, which were made in the 1970's by ideologists of various schools, lead to the conclusion that "blue-collar workers" now place the main blame for the worsening of their material and social status on the government and its political system.

Back at the end of the 1960's political scientists in the United States established that the "blue-collar workers," the recipients of a so-called middle income, more than any other group were alienated from the two-party political system and that this alienation is manifested most of all in their nonparticipation in the elections or in their voting for certain people or others, and not for the representatives of the parties.

A hostile attitude toward the Washington establishment, which represents the leadership of the parties, has become widespread among the masses of workers. The "blue-collar workers" oppose themselves as a group to "them," the representatives of the ruling elite who are cut off from the people, and believe that this elite is in the service of groups which have economic and political power. Throughout the 1970's in the group of "blue-collar workers" the increase of the number of voters calling themselves "independents" continued, and this trend is intensifying. In a recent poll L. Harris again established that since 1976 among the members of trade unions (the politically most active part of the working class) the number of those who identified themselves by political leaning with the Democrats decreased from 58 to 49 percent, while the number of trade union members, who consider themselves to be independents, increased from 20 to 30 percent.¹⁵ They are mainly those who believe that the two-party political system "requires reorganization," since, having placed itself at the service of "special interests," it had ceased to take into account the interests of "the average working man." In this it is possible to see the main reason for the participation of groups of white workers in the tax "rebellion" mentioned above and at the same time confirmation of the fact that the process of politicizing the mass consciousness is not of a uniform nature at this stage of social development in the United States.

The political frame of mind and the behavior of this quite significant portion of the white workers reflect the clash of old and new ideological views and convictions in the changing socio-economic, ideological and political situation.

The heterogeneity of the process of politicization is manifested in the various forms of the break of the "blue-collar workers" from the two-party political system. The range of the forms of this break extends from the previous distrust and cynical contempt for politics and politicians in general to the recognition of the need to display activeness in order to achieve changes in the structure of the parties, to unite in coalitions to "pursue issue politics" outside the two-party system--by direct political

actions. This form is becoming predominant in the United States of the late 1970's.

"Political independence from the two bourgeois parties," Gus Hall wrote, "will be developed in two directions—both to the left and to the right.... We should not indulge in illusions that the political spectrum will shift to the left by itself."¹⁶

The break to the right is shown by the locally established coalitions, in which the petty bourgeois stratum is extremely strong and in which the disunity of the left-wing forces, which are engrossed by sectarianism and are incapable of opposing to the "new right-wingers" a progressive political alternative, be it means of solving the tax problem, financing social programs or improving the state of "middle" America as a whole, is especially great. But in the United States, as political scientist D. Hapgood convincingly showed in his book "The Average Man Fights Back," the number of associations with a pronounced antimonopolistic direction is increasing.¹⁷

In many studies of previous years on the political frame of mind of the masses of "blue-collar workers," who are infected by the individualistic psychology and are isolated in their ethnic, socio-economic and religious traits, their authors came to the conclusion that, in spite of the discontent with the policy of local and federal authorities, "a distinctive trait of the workers was a sense of helplessness, futility and failure of the efforts to change the situation which is unfavorable for them, and this feeling more than anything else determined the attitude of the workers toward political and social events."¹⁸

And if today the masses of white workers are freeing themselves from the feeling of sociopolitical "lethargy," this is taking place to a considerable extent under the influence of the protest movement, which convinced "middle" America that the pooling of forces for direct political actions yields appreciable results.

Widespread among white workers is the conviction that the "average" man has been laid aside completely from influencing the political process of making government decisions. This trait of social consciousness of the workers of the 1970's distinguishes them from the workers of the late 1960's, who were still being influenced by the reassuring promises of the ruling elite that their situation would quickly change for the better, since the government in its decisions was taking into account and reconciling the interests of all social groups. "People are no longer showing a preference and are not taking on trust, as something not subject to doubt, what the authorities tell them. The value structure of society has changed, and the new expectations have revolutionized political life."¹⁹ U.S. NEWS AND WORLD REPORT cites the following opinion, which is widespread among ordinary Americans: "People feel that they do not have (levers) of control, and therefore they have been deprived completely of the opportunity to influence the life of the country."²⁰

The aspiration to overcome this sense of political helplessness is the most important peculiarity of the frame of mind of the masses of "blue-collar workers": "They now feel that, as individuals united by a common interest, they can be more effective and politically strong."²¹ This mood is being strengthened to the extent that the masses of working class "average" Americans free themselves from the illusory notions that changes in their status depend on changes of the people at the head of the institutions of power. "People believe that the matter lies in the system," California researcher Mervin Field states. "They do not believe that something can be changed by voting for one of the candidates or another."²²

This conviction began to spread especially rapidly after the new Democratic administration came into power. This party's candidate for the presidency during the 1976 election campaign declared himself a supporter of the more equitable redistribution of public wealth and the limitation of the economic and political power of the "rich." But after more than two years in office the new administration has been able to destroy these hopes for changes.²³ In the eyes of the working masses the new administration has lost its "populist aura" and has been transformed into a part of the Washington establishment. Gallup claims that the Democratic President is losing more and more the support of "blue-collar workers," the recipients of the lowest incomes, who traditionally considered themselves Democrats. At the same time he is receiving "surprisingly great support" from the groups of the population with high incomes, primarily businessmen and people of the free professions, Republicans in their social and political views.²⁴

Statements of workers of the following type are also appearing on the pages of the press: "Help from Washington? Forget it: my life hasn't improved since Carter took office. I still have to work at two jobs to make ends meet."²⁵

The disenchantment with the new administration is especially great among organized workers with the most developed political consciousness. Typical of them are the following statements: "We had great hopes in November 1976. What happened? How did it happen that the conservative forces now have in Washington the same power as they had under the predecessor of Jimmy Carter?"²⁶

Some time ago FOREIGN POLICY held a very interesting debate, which reflected the understanding by a part of the ideological elite of the dangerous consequences for foreign policy "consensus" of changes in the social consciousness of "blue-collar workers." The verification of the fact of the increasing awareness by "blue-collar workers" of the close tie between the worsening of their material and social position and the class essence of the foreign policy of American imperialism was the key note in this debate. The articles of political scientist Charles Maynes entitled "Who Pays for Foreign Policy?" opened and concluded the discussion. Using data of national and specialized surveys, C. Maynes with good reason asserted that "blue-collar workers"--"the indignant majority in the country"--are realizing more and more that in the 1970's they have borne a disproportionately

high burden of the "payment" for foreign policy, but the recipients of the highest incomes and the multinational corporations are reaping its fruits. Such opinions potentially and really transform them into a group dangerous to the ruling elite. Having come to this conclusion, C. Maynes asks: "Is there any other way of restoring the faith of this politically decisive group, if we do not convince its members that by means of the appropriate reforms we will create a situation in which everyone, including the well-to-do, will bear a fair burden [which is necessary to conduct] the policy of the government?"²⁷

The activity of the new administration is convincing the "blue-collar workers" that the foreign policy interests of privileged groups is in a decisive position for it, and in this, in the words of THE NEW YORK TIMES, lies the main reason that the government "is having a hard time inspiring people to make patriotic sacrifices."²⁸

Under the pressure of big business and the "new right-wingers," who are threatening Americans with an increase of inflation in case of the expansion and increase of consumption of the masses, the new administration is conducting an economic and social policy which is intensifying the process of redistributing the public wealth in favor of the monopolies. But this policy at the same time is intensifying the process of demarcation of political forces along the opposing lines of their socio-economic interests and is increasing the overall level of development of the political struggle.

The changes which are occurring in the trade union consciousness of the rank and file masses of organized workers and trade union leaders are having an increasing influence on the development of this process.

The main changes are: a) the bankruptcy of the policy of class partnership and class peace under the conditions of the sharp aggravation of the antagonism between the trade unions and monopolies; b) the progressive weakening of the influence in the workers' movement of the ideology of so-called business trade unionism and the intensification of the influence of the ideology of "social" unionism; c) the increase of the effect of the trend toward creating a mass workers' party.

For bourgeois ideologists with their shallow empirical approach in the interpretation of the phenomenon of the "exclusiveness" of American trade unionism there has become a dogma the conclusion that this trade unionism has not been able to change its procapitalist conservative and social egoistical nature since the government legalized the existence of trade unions in the 1930's, while in the 1940's and 1950's big business was forced to recognize the principle of reaching collective agreements. This recognition gave rise to illusions about the possibility of the relations of class partnership and class peace with capital, while the radical views on the interrelations of classes, which were widespread in the 1930's, appeared "inappropriate" and represented a return to the past. Such illusions and views led to the increase of the influence in the workers' movement of narrow, apolitical, "business" trade unionism, which is capable only of making

deals with monopolies at the expense of the masses of unorganized workers and to a certain extent at the expense of society in order to obtain concessions in the interests only of the members of individual trade unions. "Business" trade unionism led to the moral and political isolation of the trade unions in society and became the main factor in the weakening of the social and political strength of the workers' movement. In the 1950's nearly 40 percent of the manpower employed in nonagricultural sectors was organized in trade unions, in the 1970's--slightly more than 20 percent. Of the 50 states a high degree of organization into trade unions exists in only eight.

In the late 1970's this circumstance became the main reason for the unprecedented increase in the past half century of the aggressiveness of big business, which set as its main goal to take away from organized workers the economic and social concessions which they received during the period of "prosperity" of the 1950's and 1960's, to achieve an even more drastic redistribution of the public wealth in its favor and in the end to break down the social and political strength of the trade unions. Today no one, including the most zealous champions of class partnership among the reactionary trade union leaders, doubts the fact that the United States is the only developed capitalist country where big business has not yet resigned itself to the existence of trade unions. Even the representatives of the executive committee of the AFL-CIO are speaking today about the fact that corporations in union with right-wing forces are waging a "class war" against the workers and their trade unions.

But the corrupt union bosses have become so bourgeois, have become so steeped in the psychology of class partnership that, while admitting the fact of a "class war," they are attempting to appease capital ideologically by assurances that "the American worker has no class consciousness or envy at all. He does not look into safes with malice at heart."²⁹ As K. Marx noted ironically on a similar score, "whoever is persuaded is recognized as the master of the situation."³⁰

Big business is launching a "class war" because it has (unlike the leadership of the AFL-CIO) other ideas about the consciousness of the organized workers.

The development of the movement of rank and file members of trade unions, who are hostile toward class partnership, the discharge from their posts of the champions of this partnership in workers' associations, the increase of the authority and influence of the leaders who are for the transformation of trade unions into organizations of the class struggle and who demand the shift of the workers' movement to the struggle for the drastic redistribution of the public wealth and the establishment of control of the workers at the works convince us of the extremely dangerous shifts for the domination of capital in the consciousness of the workers. Big business is also well aware that the tendency toward radicalization is intensifying in the workers' movement and that this intensification is directly connected with the comparatively rapid growth of the proportion of nonwhite workers

having a higher degree of development of class consciousness in the key, mass trade unions. "The trade union members from ethnic minorities," writes R. Krickus, a well-known specialist on ethnic problems, "to a greater extent than their white friends, are inclined to support the battle tactics of the class struggle, since they have lost the desire to take on faith the myths and the semitruth, which gives rise among many whites to naive trust in the good will of the system. Blacks and Chicanos are convinced that the system does not treat every citizen identically, and the young representatives of the minorities in many industries have 'radicalized' the whites with whom they work."³¹

The realization by the workers, who have been organized into trade unions, of the community of their interests in the struggle is of decisive importance for overcoming the racial clashes in the working class and increasing its class consciousness, since in the United States the increase of the level of this consciousness is connected most of all with the recognition of the fundamental community of the sociopolitical interests of black and white workers.

Trade unions, and especially those of them, which have been created on a purely class, production basis, are, as V. I. Lenin stressed, a means of uniting workers into a class, and in this lies the main reason for the hostility of capital toward them. By waging an aggressive war against workers' organizations and forcing the existing trade unions to fight for their existence, American big business is striving not to allow an increase of the faith of the workers in the strength of their own class.

But by this attack it is creating a sociopolitical situation which is forcing the workers' movement to move more and more to the left. This is evidenced by the progressive increase of the influence in the workers' movement of the left-center forces, which represent the school of "social" unionism, typical of which is the conviction that today the main interest of trade unions is not the reaching of collective agreements, but the development of the political struggle for social reforms in the interests of the entire working class and society.

The "social" unionists realize that as the consciousness of the working masses is politicized, the workers' movement should elaborate its own progressive alternative to the bankrupt ideology of the "welfare state" and should oppose it resolutely to right populist demagogy. Progressive trade union leaders also realize that the working masses are developing more and more beyond the level of the official ideology of narrow trade unionism, and their conviction that the workers' movement does not have a clearly formulated program for settling the sociopolitical problems worrying them serves as one of the main reasons for disenchantment in the trade union organization. In this the left-center leaders see one of the main reasons for the political weakness of the workers' movement, which is losing, in particular, its influence on those voters who call themselves independents politically; meanwhile, the number of the latter, as was shown above, is constantly increasing.

The failure by the Democratic dominated 95th Congress on the main bills of the trade unions, including the reform of labor legislation, showed especially vividly the political weakness of the trade unions and the strength of the domination of big business and the "new right-wingers" in the two-party system. The workers' movement, which is alarmed by the weakening of its positions as a result of the increase of the number of unorganized workers (above all in the South, where capital is giving fierce resistance to unification into trade unions), was especially interested in this reform.

The failure on the trade union bills by the party, which claims to represent the interests of the workers, so clearly revealed the class essence of the two-party system that Douglas Frazer, the leader of the largest auto workers union said what two years ago it was impossible to hear from the leaders representing "social" unionism. D. Frazer stated: "The Republican Party remains under the control of business, its interests have an enormous influence on the Democratic Party. The truth is that... due to the domination of business there are no pronounced ideological differences between these parties."³² In a U.S. NEW AND WORLD REPORT interview, in response to the question, "Are the trade unions so furious that they might be able to create an independent third party?" D. Frazer confirmed that for the first time in many years the leaders in his trade union "are holding talks on the creation of a third party."³³

Previously the threats to create a workers' party on the lips of some trade union leaders were merely a means of exerting psychological pressure on the ruling class, and they were not taken seriously, knowing how low the level of political consciousness of the organized workers was, how disunited and isolated morally and politically the workers' movement was (owing to its corrupt right-wing leaders) from the broad masses of workers.

But today the increase of the political power of the monopolies and the progressive weakening of the influence of trade unions in the Democratic Party are placing the workers in a position where the creation of a mass workers' party is being transformed more and more into the main condition of existence of trade unions as efficient class organizations. The surveys of the rank and file members of the largest trade unions show that in the 1970's the idea of creating a workers' party is becoming popular in the United States.

One of the new progressive leaders of the workers' movement, Winpisinger, president of the International Association of Machinists and Aerospace Workers, flatly stated that the old trade unionist policy of supporting in the elections the "friends" from the Democratic and Republican parties has become obsolete under the conditions where the main interests of the trade unions lie in the sphere of politics, and therefore the trade union led by him considers as the main problem of the workers' movement the creation of an independent workers' party. Winpisinger, like other representatives of the left-center forces, considers as the most important condition of the struggle for a workers' party the destruction in the consciousness of the workers and society of the notion, which is widespread in the United States,

that the workers' movement is a narrow egotistical group of "special interests," which is trying to achieve advantages only for its own members.

As the new leaders are firmly convinced, only the creation by the workers' movement of a broad antimonopolistic coalition of all the democratic forces of the country is capable of destroying the moral, psychological and political isolation of the trade unions from the masses and of placing this movement on the path of creating a workers' party. "We can destroy the political strength of corporate America," states J. Henning, one of the leaders of the California Labor Federation of the AFL-CIO. "But the 'traditional means' (meaning support in the elections of candidates from the bourgeois parties and lobbying--Ya. K.) are not suitable for this. A mass new coalition should be created on the initiative of the workers' movement. If we are able to combine everyone together--the ethnic minorities, the consumers' movement and the environmental protection movement--we will then have a basis for success, a basis for political progress." Citing this statement, POLITICAL AFFAIRS concludes: "Such a broad coalition, which has emerged on the initiative of the trade unions, can stimulate the supporters of the independent political movement and give it a developed program and, in the end, victory in the struggle for political power."³⁴

The conference of 105 coalitions and organizations representing the mass democratic movements, which was convened in the autumn of 1978 on the initiative of the UAW, was a notable step along the path to realizing the idea of the antimonopolistic coalition. The conference set the goal to create a "coalition of coalitions" for the purpose of "transforming the American political system." The conference reflected the increase of consciousness, the new level of mobilization and consolidation of the left-wing forces under the conditions of attack by the capitalist reaction. The Communist Party of the United States, which is stepping up its ideological and political activity on uniting the left-wing forces, evaluated its results precisely in this way.

In the United States of the 1970's the demarcation and regrouping of political forces are taking place along the recognized opposition of socio-economic and political interests.

The system of American capitalism is becoming less and less "controllable" from the standpoint of the decrease of the opportunities of the ruling circles to prevent the class polarization of society and the development of the class political struggle.

FOOTNOTES

1. "Blue-Collar Workers," A Symposium on Middle America, New York, 1971, p 383.

2. D. Bell, "The Cultural Contradictions of Capitalism, New York, 1976, p 196.

3. "The World of the Blue-Collar Worker," New York, 1972, pp 202-203.
4. A. Levison, "The Working Class Majority," New York, 1974, p 98.
5. G. Green, "What's Happening to Labor," New York, 1976, pp 23-24.
6. For more detail see G. I. Vaynshteyn, "Amerikanskiye rabochiye: svigivaniye v obshchestvennom soznanii" [American Workers: Shifts in Social Consciousness], Moscow, 1977.
7. See the article of V. P. Shestakov, "The American Dream and the Moral Crisis," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 2, 1979--editorial note.
8. U.S. NEWS AND WORLD REPORT, 8 May 1978, p 19.
9. DISSENT, Winter 1977, p 52.
10. OCCUPATIONAL OUTLOOK QUARTERLY, Spring 1977, p 7.
11. HARRIS SURVEY, 8 December 1977.
12. POLITICS AND SOCIETY, Winter 1973, p 168.
13. THE NEW YORK TIMES MAGAZINE, 9 February 1975, p 11.
14. G. Green, op. cit., p 72.
15. HARRIS SURVEY, 3 August 1978.
16. POLITICAL AFFAIRS, April 1975, p 11.
17. D. Hapgood, "The Average Man Fights Back," New York, 1977.
18. M. Fried, "The World of the Urban Working Class," Cambridge, 1973, pp 195-196.
19. THE NATION, 29 November 1975, p 559.
20. U.S. NEWS AND WORLD REPORT, 8 May 1978, p 23.
21. D. Warren, "The Radical Center," New York, 1976, p 5.
22. NEWSWEEK, 6 November 1978, p 31.
23. The political importance of the ruling class maintaining among the masses the hope for an opportunity to achieve greater social equality within the existing system for the first time was formulated most precisely by Francis Bacon in his essay "Of Seditions and Troubles." He begins with words which sound quite topical for the U.S. ruling class in the 1970's: "The shepherds of peoples are required to understand the omens of political storms, which usually are all the more strong when it is a matter of

equality, just as in nature storms are all the more strong closer to the equinox." And further F. Bacon gives a "set of means" to prevent political storms, among which he especially singles out the psychological means. He writes: "Indeed, to graftly people skillfully and cunningly with hopes, to lead people from one hope to another is one of the best antidotes to discontent. Truly wise is the government which knows how to lull people with hopes, when it cannot meet their needs and conducts the matter in such a way that any evil is moderated by hope..." (F. Bacon, "Soch." Works, Vol 2, Moscow, 1972, pp 380, 384).

24. THE GALLUP POLL, 9 April 1978.
25. U.S. NEWS AND WORLD REPORT, 8 May 1978, p 23.
26. Quoted from POLITICAL AFFAIRS, December 1977, p 20.
27. FOREIGN POLICY, November 1975, p 117.
28. THE NEW YORK TIMES, 7 March 1978.
29. Quoted from THE NATION, 9 September 1978, pp 200-201.
30. K. Marx, F. Engels, "Sobr. soch." Collected Works, Vol 8, p 178.
31. R. Krickus, "Pursuing the American Dream. White Ethics and the New Populism," Bloomington - London, 1976, pp 370-371.
32. WASHINGTON REPORT, 7 August 1978.
33. U.S. NEWS AND WORLD REPORT, 11 September 1978, p 82.
34. POLITICAL AFFAIRS, December 1977, p 22.

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THE POWER FACTOR IN U.S. GLOBAL STRATEGY

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pp 17-27

Article by V. F. Petrovskiy

Text An important place in U.S. global strategy plans, on whose elaboration numerous scientific research centers and the well-known "trilateral commission" are now actively engaged, is allotted to ensuring the effectiveness of the power factor—"power," a key element of which is said to be military strength.

In the Cold War period, when Washington built illusory calculations on the possibility of a military solution to the historical dispute between the two systems and when the distinction between political and diplomatic methods, on the one hand, and military strength methods, on the other, was reduced to a dangerous level, the ensuring of U.S. national security, among other foreign policy tasks, was placed in direct dependence on achieving decisive predominance in means of warfare, and power was identified with military strength.

Under present conditions, which are marked by Washington's necessitated turn from direct military confrontation to talks with states belonging to the other social system and by the increased significance of peaceful forms of confrontation between the two systems, ensuring national security by means of superior military strength alone is not considered sufficient.

Seeking to present themselves as opposed in principle to any one-sided approach, American theorists include in the concept of "state power," along-side military strength, a number of very diverse elements. For H. Morgenthau and his followers these are geographical location and natural resources (above all foodstuffs and raw materials); industrial potential; military potential (the level of development of military hardware, quality of military leadership, size and quality of armed forces); the size of the population; national character and the moral spirit of society; the quality of diplomacy and quality of government (the government's ability to obtain support for its foreign policy among the country's public opinion).¹ Here the close interweaving and interaction between different elements of national power are stressed.

However, it is characteristic that American theorists in essence allot the decisive role in the set of elements included in the concept of "state power" to military strength and regard this entire set of elements exclusively from the viewpoint of the nation's ability to use military strength in direct or indirect form to achieve its foreign policy goals.

"...It is of no significance how power is formally defined," the prominent American researchers Harold and Margaret Sprout wrote in 1965, "inasmuch as the vast majority of people speak of strength as if it is above all a function of violence."² The same thought was expressed in 1973 by D. Nuechterlein. "The concept of power," he noted, "is used so widely, although vaguely, in international relations that it has become synonymous with military strength."³

It seems that although military strength is important, it is by no means the decisive factor in state power. The composition and scope of military potential, in particular the possession of nuclear missile weapons, to some extent predetermine the place and role of states in the international system, but it does not follow from this that military strength is equivalent to state power and determines the content of foreign policy.

At the same time American authors are actively elaborating the thesis of "aggregate" or, as it is also called, "group power." Thus, W. Bundy asserts: "In our times power is to a considerably greater extent--or at least in a wider plane--'group power.' Those who do not belong to the 'club' are missing something important."⁴

The concept of "aggregate power" is a theoretical recognition of the fact that with the present distribution of world forces the state power of the United States alone, although it is based on mighty armed forces and military potential, is insufficient to fulfill the overall class strategy of capitalism, which is aimed at opposing progress in the world.

"Aggregate power" is characterized by the American theorists W. Bundy, S. Hoffmann and others not as the simple mechanical pooling of the capitalist countries' "state powers," but as a qualitatively new formation in which the greatest significance is assumed by the coordination of efforts and the elaboration of a common line of political, military and economic questions ("coalition diplomacy"). At the same time American theorists do not doubt that the main element in the "aggregate power" of the capitalist world must be the state power of the United States as a "superpower," and that the cementing of the "group power" of the capitalist West depends on the state of U.S. military forces, as well as on other power factors.

Arguments about the growing significance of "aggregate power" serve as theoretical justification of the need for the capitalist world to rally under U.S. auspices and make joint efforts in relations both with socialist countries (West-East) and with developing countries (North-South).⁵

Structurally "aggregate power," in the opinion of American authors, is composed of the same elements as state power.

The primacy of military strength in the concept of "aggregate power" gives rise to the priority importance of military coalitions. Their significance is perceived as being that they adapt the armed forces of all member countries to a unified military system and at the same time constitute one form of the realization of "aggregate" military strength in international relations. In theoretical research the question is formulated in such a way that although the decisive role in such coalitions must belong to the most powerful state, this does not relieve the other participants of the responsibility of making a weighty contribution to ensuring the suitable combat readiness of military alliances.

On the practical level, emphasis is placed on the importance of "aggregate power" under present-day conditions in order to justify the policy being pursued by Washington, which is aimed at averting centrifugal tendencies and strengthening the aggressive North Atlantic bloc and other closed military groupings of Western states and at increasing its own direct participation in these groupings' activity.

Under the conditions of modern international economic relations, special significance is attached to "aggregate economic power." Here the significance of economic power in general and of the elements which compose it (for instance, financial, commodity and other powers) is examined in the sphere of foreign policy influence.

Behind these theoretical constructs it is not hard to perceive attempts to find the most effective ways and means of using the West's "aggregate economic power" in both its general and its individual manifestations--both in confrontation with developing states which are demanding the restructuring of international economic relations on a just democratic basis, and in the historical competition between socialism and capitalism. "Western economic strength and its dissemination throughout the world are vitally important not only for the West itself and for resolving the North-South problem; this strength also plays a leading role in the continuing East-West competition,"⁶ W. Bundy notes.

The elements of "aggregate power" and state power are regarded in American works not in isolation from each other, but in close interconnection and interpenetration. Here a more complicated model is constructed in relation to the former. Thus, in the view of American theorists, "aggregate military power" does not simply back up the other elements of power and combine with them, but in turn undergoes certain organic transformations. This means that the effective use of military coalitions for foreign policy purposes demands that apart from purely military functions, they also have political and socio-economic functions.

American politicians and theorists see the main point of power, including military strength, in providing the United States with the necessary

impact (influence) on various subjects of international contact—sovereign states and international and regional organizations. The question of "influence" as the main purpose of power occupies such a large place in American research that there are even proposals to elaborate an all-embracing theory of "influence," which would incorporate the main bourgeois foreign policy and military-strategy concepts.⁷

The definition of the purpose of power in terms of "impact" (influence), which has become established in American literature, constitutes a certain shift in U.S. foreign policy thinking. Whereas formerly "power" (which was, moreover, often identified with military strength) was regarded as capability for achieving the set goal, which first amounted chiefly to capability for physical coercion, and second cultivated power as such, now, through the prism of the term "influence," American theorists see power as a totality of heterogeneous elements, but assess it on the basis of potential and realized opportunities. The significance of power as potential for exerting influence, which does not require the use of military force in all cases, is particularly singled out.

Such a formulation of the question, without belittling the general significance of power in foreign policy, warns to some extent against the incautious use of the military component alone, stresses the significance of the existence of impressive military strength (potential), and not only of the use of armed forces and arms in practice (realized potential for influence), and opens up new paths for differentiating between military and nonmilitary means.⁸

The concrete political purpose of U.S. "national power" is defined in the same terms of "influence." "The basic problem of American foreign policy lies in maximizing our potential,"⁹ asserts S. Hoffmann, one of the leading American theorists.

The definition of "influence" in modern American foreign policy research as the main function of state power constitutes the latest theoretical device aimed at concealing the imperialist essence of foreign policy. As to the military strength factor, such an approach does not detract from, but, on the contrary, emphasizes its significance not only on the military-strategic level, but also on the broader foreign policy level.

However, the shift of the emphasis to the need to reinforce military strength with other elements of power does not eliminate the question of using military power itself, and above all of armed forces, for achieving foreign policy goals.

The ruling circles' present approach, which has been amended with allowance for the changes in the correlation of world forces, and primarily the increase in USSR military and political power and the U.S. loss of nuclear missile superiority, reflects quite definite attempts to adapt the use of military power by the establishment of an approximate parity of forces between the USSR and the United States.

While continuing to cultivate American military power as a whole in every way, present-day researchers into the role of the military strength factor in U.S. foreign policy at the same time attach great significance to the differential assessment of the potential of various branches of the armed forces as instruments of foreign policy action.

Strategic nuclear missile forces are considered the basis of military strength and therefore of foreign policy influence. The further qualitative improvement and expansion of the arsenal of strategic forces are being carried out in accordance with the principle of "essential equivalence" and are regarded in Washington as a most important factor influencing international relations and the backing up of U.S. foreign policy by military strength. And although, while taking into account the existence of the powerful strategic weapons at the disposal of the Soviet Union, American politicians and scientists see this influence mainly in maintaining the "balance of fear," nonetheless the use of nuclear weapons for their direct purpose is not ruled out. It appears from press reports that Washington is discussing more and more actively the possibility of waging a so-called limited nuclear war and is adopting as an official military doctrine the "counterforce strategy," which envisages selecting enemy military sites as targets for a nuclear missile attack and making a preemptive strike at the moment of crisis.

Not wishing to renounce the use of the nuclear factor for foreign policy purposes, the American political and scientific elite puts forward various kinds of assertions to the effect that strategic forces are the West's "defensive shield."

The existence of such a "shield," it is said in the United States, creates the potential for the more active use of general-purpose forces in specific foreign policy actions. They are assigned the role of "sword" or main strike force in resolving tasks below the level of direct U.S. confrontation with the USSR.

In accordance with the "one and a half wars" doctrine adopted by the Carter administration, the general-purpose forces, which consist of ground forces, marines, air force and naval operational and tactical aircraft and strategic transportation facilities, must be capable of simultaneously waging a major nonnuclear war in Europe or Asia, as well as taking part in a local conflict.

In peacetime it is considered most effective politically to use tactical aircraft in combination with at least one other basic component of the general-purpose forces.

A special role in foreign policy plans is allotted to naval forces. The naval forces' main task in peacetime is to show military presence and exercise control over the sea, which implies ensuring uninterrupted supply of advanced groupings of ground forces in various regions. Since the start of the oil crisis great emphasis has been placed on protecting sea trade routes.

"The role of the navy (with the exception of nuclear submarines)," American researcher R. Wesson writes, "is similar to that of ground and air forces abroad, and lies in the projection of American strength which is capable of supporting American foreign policy on a local and general scale. However, the navy, which does not require permission to sail close to other states, is a more flexible and perhaps more effective instrument than troops deployed abroad. A surface fleet is an impressive mobile exponent of strength and will."¹¹

"Naval presence" and "show of strength" are the latest terms to designate "gunboat diplomacy." The use of the navy for political purposes has been a traditional method in U.S. foreign policy. The appearance of warships can express various kinds of threat--from harassing actions to blockade and an air strike. Since World War II alone naval forces have participated in 4 out of 5 conflicts, that is, 80 percent, whereas ground-based air forces have only participated in 50 percent, and ground forces in only 20 percent.¹²

American naval forces have more than once taken part in a show of strength off the shores of Southeast Asia and Africa and in the Mediterranean and Caribbean. They were used for this purpose in the Persian Gulf in connection with events in Iran in January 1979.

American literature stresses that the navy is assigned a big role in future military interventions in developing countries. Thus, a special study by the Brookings Institute notes the following advantages of using the navy for political purposes: ships are much easier and quicker to move from one region to another than ground forces, and this costs less; their appearance in a conflict zone always is a less tough implementation of power intervention than the appearance of ground forces or ground-based air forces; if necessary naval forces can be present in the conflict zone while remaining "beyond the horizon"; contacts between seamen and the local population are easier to control than contacts involving soldiers deployed on the territory of the conflicting sides. That is why, the authors of the study indicate, naval forces accord most fully with the requirement for the flexible use of strength as a means of carrying out a "threat, warning, promise or commitment."¹³

Certain works adhere to the idea of the need for maximum flexibility in using the navy for political purposes, inasmuch as the appearance of naval formations in a region of conflict automatically raises that conflict to a new level of escalation, which correspondingly increases the degree of U.S. involvement.¹⁴

Whereas general-purpose forces are used more or less openly for foreign policy purposes, the secret services, mainly the CIA and the Defence Intelligence Agency, use strength for foreign policy purposes "invisibly."

The secret services' main weapon is "secret operations" (slander, disinformation, bribery, blackmail, subsidized subversive organizations, murders).

In American literature secret operations are defined as "secret activity to exert an influence on foreign governments, events, organizations or individuals with a view to supporting U.S. foreign policy."¹⁵

Here two types of secret operations are singled out--psychological warfare and semimilitary acts. The former "includes propaganda activity in youth and student organizations and work in trade unions, cultural, professional and creative groups, and political parties." Semimilitary acts are "penetration into prohibited areas, sabotage, terrorist acts, air and sea support, arms and training for small armies and the granting of assistance to them."¹⁶

American authors call such dirty methods something between a diplomatic protest and sending in the marines. In fact they are scarcely distinguishable from the use of military strength for the purpose of exerting coercive influence and constitute secret interference in other countries' internal affairs.

From the viewpoint of defining the place and role of secret operations in the U.S. foreign policy arsenal, the discussion launched in the United States in 1974-1975 in connection with the revelations of illegal CIA actions inside the country and abroad was very typical.

It is highly significant that during the discussion nobody, except individual representatives of left-wing liberal circles, even considered the question of the illegality of secret, fundamentally subversion operations abroad.

Most American politicians and ideologists regard the carrying out of such operations as a natural "manifestation of U.S. national policy." Washington, reasons H. Rositzke, a prominent American specialist on intelligence questions, "interferes in other countries' affairs everywhere, constantly." In his opinion, it is only necessary to define "how expedient it is to interfere in other states' affairs." H. Rositzke, like many other American authors, suggests that such flagrant methods as political murder should be excluded from secret operations in the future, and "financial support" for pro-American elements in other countries should become paramount.¹⁷

In such reasoning we can clearly see the essence of the approach of American bourgeois authors to the question of the place of intelligence in the modern world--authors who by means of certain "cosmetic operations" would like to replace the formed notion of U.S. intelligence as a "symbol of American imperialism and secret power" and at the same time to preserve the "cloak and dagger diplomacy," which has been carried out by the intelligence service, as an important tool in the foreign policy arsenal.

The committee under Senator F. Church, which was involved in investigating secret operations abroad, came to a similar conclusion, stating that in an "emergency" the United States "must retain the ability to react to it by means of carrying out secret operations."¹⁸

In addition to the differential assessment of the functions of the strategic missile forces and other branches of the armed forces, as well as the secret services, an increase in the effectiveness of military strength, according to Washington's designs, is also to be promoted by preserving the world military system which exists under U.S. auspices by adapting it to the constantly changing international political situation.

The basis of this system consists of U.S. military and political commitments under multilateral treaties (the NATO and ANZUS pacts, the OAS Charter and the Inter-American Mutual Assistance Treaty). Moreover, the United States is linked by bilateral agreements of a military-political nature with Japan, South Korea, Turkey, Pakistan, the Philippines, Liberia, Panama and so on.¹⁹ Apart from giving assistance in the event of armed attack, U.S. military commitments include maintaining military bases, troops and military hardware outside its own territory; financial and material aid to foreign military forces, and also granting assistance to their operations; multilateral and bilateral military planning--both current and emergency; holding joint exercises and maneuvers; training military personnel and keeping special weapons abroad.

Although broad discussions within the United States in the early 1970's on the question of foreign policy commitments led to official Washington's understanding of the need to implement "American nuclear centralism" in NATO more flexibly, to consult with allies more frequently and to step up nonmilitary aspects of the activity of military blocs, the discussions did not touch on the scale or the essence of these commitments.

The system of U.S. military and political commitments, which remains intact, continues to ensure a widespread U.S. military presence abroad. At present, American troops abroad number 493,800.

The world military system of imperialism, which exists under U.S. auspices, is spearheaded against the Soviet Union and other socialist community countries. The concept of "forward bases" elaborated by American strategists provides for the front line of military confrontation between the two systems to be established as far as possible from the United States and as close as possible to the USSR and for American tactical nuclear facilities to be deployed in close proximity of the socialist world's borders. Moreover, it is believed in Washington that armed forces scattered all over the world make it possible to exert the influence of American military strength constantly and directly over the most remote regions and countries.

U.S. armed forces abroad are being used on an ever increasing scale to fight against the national liberation movement, to exert pressure on neutral states and to maintain the sociopolitical status quo in countries which belong to the military system of imperialism. "American troops abroad," R. Wesson states, "are intended to support friendly governments, hinder anti-American parties and generally support American foreign policy."²⁰

Almost all official American statements declare that U.S. military presence in Western Europe serves its "vitally important interests." Under changed

conditions, in addition to the central task--military confrontation with respect to the USSR and its allies--an important aim of this presence is also considered to be to "consolidate" Western Europe under U.S. auspices and to influence the political, economic and financial life of West European countries in a direction favorable to the United States. "The role of American troops (in Western Europe--V. P.) is becoming both symbolic and political," writes R. Steel, a well-known American specialist on European problems. "They are both a symbol of American nuclear guarantees and a demonstration of the political influence America exerts through NATO in Europe."²¹ J. Schlesinger, when he was defense secretary, stated that "U.S. participation in the defense of Europe is both necessary and inevitable" and warned that "without the cementing participation of the United States in NATO, West European states would be forced to come to an agreement with the Soviet Union."²²

The Democratic administration's practical steps indicate Washington's determination not only to maintain, but also to seek to strengthen American military presence in Western Europe. The U.S. Government also attaches great significance to U.S. military presence in Asia as an "important component in global mutual relations with the USSR" and a "factor for maintaining a stable balance in that part of the world."

American deliveries of weapons to third countries have recently become an important instrument for harnessing other countries to the imperialist military system. The United States has long since outstripped other countries in the weapons trade, which R. Wesson calls an "attractive means of implementing foreign policy." "Arms are followed by instructors and advisers: they are close to military commanders and are influential people in the Third World," he writes. "Representatives of the recipient states are sent to train in the countries supplying the weapons and receive appropriate political training there. The influence acquired by weapons suppliers is relatively lasting.... Military aid is usually linked with obtaining bases."²³

In its assessment of the place of military strength in foreign policy, Washington evidently proceeds from the assumption that on a broad level armed forces, by the very fact of their existence, their level of strength and the nature of their tasks and method of deployment, influence the policy of foreign states one way or another.

At the same time the review of the tasks of the strategic nuclear missile forces and other branches of the armed forces and the reassessment of certain aspects of bloc policy indicate Washington's desire to find even more effective ways of using military strength in the foreign policy sphere.

While continuing to believe military strength to be an important lever of coercion, the U.S. political and scientific elite now draws certain distinctions between its two functions: political and psychological, on the one hand, and forcible armed pressure, on the other.

Acknowledging that military victories do not constitute the main and only criterion of state power and are not in themselves capable of ensuring the necessary foreign policy results, American politicians and theorists see the basic purpose of the military strength factor at the present stage in the global confrontation between the two systems as being an influence which suits the United States on other countries and on the development of international relations in general. Here it is taken into consideration that under the conditions of detente it is becoming increasingly difficult to use military strength alone, other than in conjunction with other element of "power," for political pressure. That is why emphasis is placed not so much on the political effect of strength as on its psychological effect, although in even this instance its purely military significance is undoubtedly taken into account. "The main aim of the military factor is political, or rather psychological," state B. Blechman, R. Bertrand, M. Binkin and R. Wayland, prominent American specialists in military affairs. In connection with achieving a psychological effect, great significance is attached to the creation of a so-called impression of strength among the leaders of other states. "The big military establishment," B. Blechman and his colleagues continue, "is maintained not so much for the purpose of the direct defense of the United States as for the purpose of influencing the views of leaders of other states."²⁴

Many leading scientific centers in the United States, including the Rand Corporation, are currently engaged in studying the psychological effect of military strength. Achieving the necessary political and psychological effect from military strength is connected in practice with the utilization of specific situations, given the existence of definite targets, of the potential capability of military strength to destroy and inflict other kinds of damage, without actually inflicting that damage, without entering into a military confrontation and as far as possible "without firing a shot." This aim is served by real, physical changes in the geographical location and the nature of the activeness and (or) degree of readiness of at least part of the armed forces, including the use of fire power, the establishment of a military presence abroad, blockade, ostentatious maneuvers and so forth.

The United States considers the purpose of political and psychological influence to be: to prevent any actions which are undesirable for the United States on the part of another state; to make the state take actions in the interests of the United States or take no action at all; to support the state in actions undertaken or prepared or, on the contrary, to support that state in the desire not to undertake such actions; to create conditions stimulating certain actions on the part of a particular state.

In other words, it is a question of a show of strength to guarantee selfish U.S. imperialist aims against the interests of other states' peoples. It is very characteristic that variations on the "show of strength" theme can be heard in many speeches by representatives of the present administration.

The emphasis on the psychological, ostentatious aspect of the use of military power in foreign policy actions in no way means that Washington lacks the intention to use military strength for another kind of influence--forcible, armed influence--on other countries (occupying territories, bombing and so forth).

Only four years after the American aggressors were driven out of Vietnam, an event which gave rise to a painful reassessment by the United States of the role and significance of the power factor in foreign policy, military interventionism is again regarded as a natural means of achieving foreign policy goals. "The recognition of growing restriction on the use of military strength hardly constitutes a denial of its exceptionally important, fundamental role in the world community," the prominent American researchers M. Janowitz and E. Stern state in the leading American military journal *MILITARY REVIEW*. Coming out in favor, in this connection, of the use of military intervention for U.S. foreign policy purposes, they propose to proceed from the assumption that "military involvement can embrace a wide spectrum--from guerilla tactics to conventional warfare between more experienced professionals, from weapons with limited destructive power to the hydrogen bomb."²⁵

The presence of powerful means of retaliation in the hands of the Soviet Union and the lessons of Vietnam, where not only the impossibility of crushing the national liberation struggle by means of military force, but also the foreign policy cost of military strength actions were revealed, have made the Washington establishment show greater circumspection in resolving questions of the direct use of military strength.

The works of American authors persistently cite the idea of the expediency of using military strength for its direct purpose selectively, choosing situations for intervention more carefully and rationing its scale. At the same time another feature is apparent: if it is necessary to use military strength for political purposes, this must be done quickly and resolutely, without extending the period of military operations. Research by the prominent American political scientists O. Holsti and J. Rosenau, which was carried out through the mathematical processing of the assessments of those who formulate foreign policy, notes: three-fourths of the people they surveyed believe that "in any future foreign intervention it is preferable to use force quickly, rather than by means of gradual escalation," and most define their position firmly. American politicians, O. Holsti and J. Rosenau stress, are resolutely inclined against any half-hearted measures and consider it necessary to strike at the heart of the enemy's strength.²⁶

It is characteristic that recent speeches by officials in the Carter administration place considerable emphasis on U.S. readiness to intervene in crisis situations in case of necessity. As reported in the American press, Presidential Directive No 18 (1977) recommends a significant increase in the maneuverability of American general-purpose forces, which is motivated by the need to react quickly, inasmuch as the side which can send its forces directly to the crisis region first will gain significant advantages and the enemy side will have to drive them out.²⁷

Summing up the present approach of American political scientists to defining the role of military strength in the foreign policy sphere, one cannot avoid seeing its dual nature. On the one hand, the increase in the Soviet Union's military strength, the establishment of strategic parity and the loss of the invulnerability of U.S. territory are making American ruling circles show some circumspection in the use of military strength, in particular in its nuclear missile form, seeking first of all to use the political and psychological effect of military strength. On the other hand, the question of using military strength has by no means been removed from the U.S. foreign policy agenda. American foreign policy thinking strives persistently to find ways and means of improving the flexibility, range and effectiveness of using military strength in its global strategy, stubbornly ignoring the fact that under the conditions of the present strategic situation in the world increased military potential by no means increases the possibility of its actual utilization.

FOOTNOTES

1. H. Morgenthau, "Politics Among Nations," New York, 1971, pp 106-144; D. Nuechterlein, "United States National Interest in a Changing World," Lexington, 1973, p 176.
2. H. and M. Sprout, "The Ecological Perspective on Human Affairs," Princeton, 1965, pp 20-21.
3. D. Nuechterlein, op. cit., p 174.
4. W. Bundy, "Elements of Power," FOREIGN AFFAIRS, October 1977, p 18.
5. Ibid., p 21.
6. Ibid., p 11.
7. See, for instance, A. George and R. Smoke, "Deterrence in American Foreign Policy: Theory and Practice," New York, 1974.
8. Certain works number among means of influence only nonmilitary methods (economic, political, ideological and so forth), while military means are as a rule regarded as means of coercion, with the exception of cases of defending state interests, when military strength acts as a means of co-operation (see, for instance, K. Knorr, "Military Power and Potential," Lexington, 1970, pp 1-21).
9. S. Hoffmann, "The Uses of American Power," FOREIGN AFFAIRS, October 1977, p 28.
10. GLOBAL POLITICAL ASSESSMENT, Columbia University, No 4, May-October 1977, p 42.

11. R. Wesson, "Foreign Policy for a New Age," Boston, 1977, p 67.
12. B. Blechman and S. Kaplan, "Force Without War: U.S. Armed Forces As a Political Instrument," Washington, 1978, pp 38-39.
13. Ibid., p 41.
14. FOREIGN AFFAIRS, January 1977, pp 362-364.
15. "The Intelligence Community: History, Organization, Issues," edited by T. Fain, New York, 1977.
16. "Dirty Work: The CIA in Western Europe," edited by P. Agee and L. Wolf, Secaucus (New Jersey), 1978.
17. H. Rositzke, "America's Secret Operations: A Perspective," FOREIGN AFFAIRS, January 1975, p 345.
18. "The Intelligence Community," pp 121-122.
19. An amendment to the new treaty on the neutrality of the Panama Canal, which was signed in 1977 and ratified in 1978, in practice reserves the right for the United States to carry out armed intervention after the year 2000 under the pretext of ensuring the normal operation of the canal. The "mutual defense" treaty with Taiwan remains in force until the end of 1979.
20. R. Wesson, op. cit., p 86.
21. R. Steel, "The Abdication of Europe," THE NEW REPUBLIC, 1 May 1976, p 16.
22. CONGRESSION RECORD, 13 April 1976, p h3337.
23. R. Wesson, op. cit., p 80.
24. "Setting National Priorities: The Next 10 Years," edited by H. Owen and R. Schultze, Washington, 1976, p 60.
25. M. Janowitz and E. Stern, "The Limits of Military Intervention: A Propositional Inventory," MILITARY REVIEW, March 1978, pp 11-12.
26. O. Holsti and J. Rosenau, "Vietnam, Consensus and the Belief System of American Leaders," paper delivered at 1977, October 6, Heandrics Symposium on American Political and World Order, Los Angeles, 1977, pp 107-109.
27. THE WASHINGTON POST, 23 March 1978.

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PRESENT-DAY PROBLEMS OF ECONOMIC FEDERALISM IN THE UNITED STATES

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/Article by A. A. Volodin/

/Text/ The intensification of the ideological and political crisis of bourgeois society is being stimulated by the further increase of the acuteness and scale of socio-economic problems, the aggravation of internal contradictions and the increase of the instability of state monopoly capitalism. In spite of the various measures of the bourgeois state on reinforcing the social rear units and providing normal conditions of the reproduction of capital, as before the United States is not finding a solution to such problems as the crisis of large cities, the educational system, health and social security and environmental pollution. In recent times in the context of the chronic crisis of state monopoly regulation the need to consolidate the state machinery, to increase the efficiency of its operation for solving economic and sociopolitical problems has become more and more obvious. At the same time the principle incorporated in the American governmental system of a federative structure, that is, the division of powers and responsibility among various levels of governmental power, is affecting its capability in this area more and more.

In connection with the further expansion of the budgetary and economic functions of the state machinery the interrelations of the upper and lower "echelons of authority" now embrace a broad spectrum of socio-economic problems. The states and local authorities,¹ which have been allotted considerable powers and functions owing to the historical and national peculiarities of U.S. development, along with fulfilling the general tasks facing them of state monopoly regulation, at the same time have their own, specific interests which do not always coincide with federal interests. These specific features are largely determined by the fact that the representatives of the states express above all the interests of the local groupings of monopoly capital or are its direct proteges. By relying on these forces, in a number of instances they come into direct conflict with the Washington administration. The question of the distribution of real powers between it and the states and of the real "balance of forces" is already arising

specifically here. Here the struggle of the centrifugal and centripetal forces and trends is assuming the nature of an expanding conflict.

In connection with this the problem of smoothing over the contradictions between the bodies of governmental authority of different levels, of consolidating them and of optimally distributing economic functions among them is assuming great importance for American state monopoly capitalism from the standpoint of its stability. The increase of the friction between Washington and the state machinery of the states, counties and cities is leading to a decrease of the efficiency of the activity of the entire state machinery of the country, particularly in the fulfillment of one of its main tasks--ensuring the conditions of the reproduction and protection of the interests of private capital, the reinforcement of the social rear units of its domination.

It is not surprising that the problem of federalism, particularly economic federalism, occupies an significant place in the general list of contradictions of state monopoly capitalism. Back in 1908 President Woodrow Wilson noted: "The question of the relations of the states and the federal government is a cardinal question of our system."² At the present stage of development of the American state and the capitalist economy the problems of economic federalism are assuming greater and greater urgency. This is becoming evident now, when the lightning of the struggle for the presidency in 1980, which to an even greater extent than before will develop around the chronic domestic problems which are directly connected, in particular, with federalism, is already flashing on the political horizon.

Such attention is natural not only owing to the critical socio-economic situation, but also in general given the enormous scale of the country, which has a federative structure and strong traditions of localism. Moreover, what is especially important during election periods, the existence in the structure of the U.S. state machinery of three relatively autonomous levels of authority makes it possible for the rival political groups to utilize for their own goals the prerogatives of the federation, the states and the bodies of local government. And here the most important aspects of the domestic political and socio-economic life of the countries are refracted in the question of the distribution of powers among the different levels of authority. Often the struggle between the Democratic and Republican parties, which are organized according to the territorial principle and have a great influence locally, is focused in a latent form on this problem.

Since the members of Congress show "favoritism" with respect to their own voting districts, the ways and means of solving many national problems frequently are determined by the reaction to them "in the sticks."

The States and the Local Authorities in the System of State Monopoly Capitalism

In historical retrospect the process of concentrating and centralizing governmental authority in the United States is characterized by quite uneven

development, since the American federal system presumes a certain economic autonomy and broad powers of the states, and to some extent also of the local authorities,³ which historically preceded the federal government and are traditional "strong" in a number of Anglo-Saxon countries (Canada, Australia). Thus, one of the researchers of American federalism, Walter Bennet, notes that along with the openly isolationist actions of a number of states the very "...idea of the political system, which united /constitutionally separate/ /in boldface/ governments, received wide support in America at the end of the colonial era and... served as the foundation and basis of the success of federalism in the country."⁴

The era of the formation and affirmation of capitalist relations in the United States was marked by the considerable strengthening of central authority and the weakening of the authority of the states. In particular, a number of domestic and foreign economic functions of the state machinery were taken away from them; the prerogatives of Washington in the sphere of foreign policy and military organizational development were finally confirmed. Nevertheless, the principle of localism and the autonomy of the states, which is incorporated in the American governmental system, subsequently had a significant influence on the course of its development. In 1957 in his address before a conference of governors D. Eisenhower stated that the federal government is "...not the creator, but a product of the states which are acting in one union," and that in order to eliminate "the rights and responsibilities of the states, which have been violated by them irregularly,... it is desirable to bring into line the distribution of revenues and functions."⁵ Subsequently the ideas of federalism continued to evolve, finding concrete expression in the programs of "cooperative federalism" of L. Johnson and the "new federalism" of R. Nixon, which reflected the genesis of the forms and methods of state monopoly regulation and the adaptation of the entire federal system to the new situation.

The concentration in the local echelons of authority of a number of socio-economic functions owing to historical, national and geographic factors served as an important condition of the formation and retention to this day of many elements of decentralization in the governmental system. In point of fact it was the states, counties and municipalities which during the era of premonopoly capitalism were the main tools of governmental intervention; they were made responsible for organizing public education, elementary municipal services, road construction and so on, while the federal government dealt with questions of defense, international relations, as well as the emission of banknotes, the organization of the postal service and the regulation of interstate commerce.

The intensification of the crises in the American economy, on the one hand, and the development of such integration processes as the formation of a national market of labor and capital, on the other, caused an increase of the scale of regulation by the federal government of the socio-economic sphere. The depression of 1929-1933 showed the inability of the states to resolve on a national scale the problems of unemployment, social security

and the cyclical development of production. Because of this, the federal system underwent substantial transformation on the level of the distribution of the functions of socio-economic regulation between Washington and the states and local authorities. From 1929 through 1939 the proportion of federal assets in all government expenditures increased from 25.5 to 51.1 percent (the adoption of Roosevelt's New Deal and the federalization of a number of economic and social programs were in many ways conducive to this), while by 1949, in connection with the increased concentration of government resources during the period of World War II and the first post-war years, this indicator increased to 69.6 percent (see Table 1).

Table 1

**The Dynamics and Pattern of Government Expenditures in the United States,
Current Prices**

	1929	1939	1949	1959	1969	1977
Total governmental expenditures						
billions of dollars.	10.2	17.4	59.3	131.0	285.6	622.5
percent of GNP	9.9	19.2	23.0	26.9	30.5	32.8
Expenditures of federal government (including subsidies to state and local authorities and social insurance funds)						
billions of dollars.	2.6	8.9	41.3	91.0	188.4	420.0
percent of all expenditures. .	25.5	51.1	69.6	69.5	66.0	67.5
percent of non-military expenditures	14.7	42.5	32.5	28.5	32.5	46.4
Expenditures of states						
billions of dollars.	2.1	3.7	8.9	18.7	49.6	112.5
percent of all expenditures. .	20.6	21.3	15.1	14.3	17.4	18.0
Expenditures of local authorities						
billions of dollars.	5.5	4.8	9.1	21.3	47.6	90.0
percent of all expenditures. .	53.9	27.6	15.3	16.2	16.6	14.5

Calculated according to "Significant Features of Fiscal Federalism. 1976-1977 Edition. 3. Expenditure," Washington, 1977, p 5.

In the middle of the 1950's the United States was faced with the worsening problems of large cities, the system of education, social security and health, with the increase of crime, the degradation of the environment and the increase of the scale of poverty. The increase of the demands on the part of the workers, which was connected with the increase of the cost of manpower during the era of the scientific and technical revolution, the influence of the experience of socialist states with their developed and extensive system of social security and so on also became an essential factor which was responsible for the necessitated increase of the scale of social financing on the part of the capitalist government. The need for additional resources and more effective methods of governmental regulation made it

necessary to actively involve the states and local authorities in the solution of national problems. In connection with this the process of centralizing the financial resources in the hands of the federal government was slowed down and an increase of the number of functions and services performed by the states and local authorities followed; a certain restoration of their positions, mainly the positions of the states, was even noticed. But here it should be emphasized that such fluctuations of "the balance of forces" for a long period have been of a temporary nature and have been taking place against the background of the concentration of financial resources in Washington.

The partial maintenance of the positions of the state machinery locally is being promoted by the fact that, being a component of the entire pyramid of governmental finances, the system of local budgets and state budgets is materializing many important goals and interests of the ruling classes as a whole. It leaves to the higher echelons of authority the functions of primary importance, while freeing them from the enormous amount of routine operations and placing itself on the front line of responsibility for financing in the area of domestic socio-economic programs. The presence in the hands of the states and local authorities of their own sources of revenues, their own tax base and extensive budgetary autonomy is playing by no means the last role in slowing the process of centralization; 43.7 percent of all revenues and 48.6 percent of direct governmental expenditures of the United States fall to them⁶; the specific materialization of the assets transferred to them in the form of subsidies has also been ascribed to their functions.

Apart from that, the states and local authorities retain decisive positions in making direct government expenditures for domestic needs. Thus, 91.4 percent of the ultimate assets (including federal subsidies), which are allocated for financing education, 69.6 percent--for social security, 75.0 percent--for health, 98.8 percent--for road construction and 57.7 percent--for the protection of the environment and natural resources fall to them; their importance in subsidizing the expenditures on urban construction and the transportation infrastructure is also great.⁷ In point of fact the governmental expenditures on the level of the states and local authorities are the most important tool in solving the tasks on ensuring the financing of the social and economic infrastructure of the country, which has a direct influence on the conditions of the reproduction of capital. Financing through the local budgets of the social infrastructure is nothing other than the accomplishment of the second most important task of the local state machinery in the system of state monopoly capital--the reinforcement of the social rear forces of capitalist government.

Here the states, and to some extent the local authorities, openly finance firms and corporations, which are interested in investing capital within a certain state, county, city and so on. This activity is acquiring more and more the form of a direct alliance of government with business at the local level. At present nearly 20 states practice the partial or complete

exemption of corporations from the state profit withholding tax. The same number of states exempt them from the property tax on machinery and equipment, 21 states grant them the right to accelerated depreciation, while 43 do not levy a tax on raw materials used in production.⁸ The floating by states of industrial loans, state guarantees of private loans and the rendering of other services to local capital are assuming greater and greater importance.⁹ All this means that the local state machinery by evasion of the state constitutions is agreeing to the direct embezzlement of the money of taxpayers¹⁰ in favor of business, is "arranging" and modernizing the state laws for the benefit of the monopolies. (Here it should be noted that precisely the monopolies, especially those whose sphere of influence is confined to some state or group of states, are coming out for the maintenance and even the extension of autonomy, for the decentralization of governmental authority.)

Of course, the prerogatives of the states and local authorities consist not only in this. The organization and holding of elections, the drafting of their own legislation and standards, the supervision of their observance, police functions and so on are also within their competence. Their role is exceptionally great in the formation of the local political climate. Since these questions go beyond the framework of this article, they are not examined here.

Thus, the functioning of a sufficiently developed governmental machinery, with a wide range of powers at the level of the states, counties, districts and cities is making its own considerable contribution to the development of a national socio-economic policy with allowance for the role which they play both in this area and in the entire structure of state monopoly capitalism. However, this role, just as the tasks facing them, is determined by the overall goals of the governmental machinery under capitalism. This clearly confirms the occurring active intrusion of the federal government through the system of administrative legal and budgetary levers in the area of regulation, the previously formed exclusive prerogatives of the states and (or) local authorities. Here under the conditions of the aggravation of the internal contradictions of America, by actively connecting their resources to the accomplishment of its goals, Washington is seeking a peculiar way out of this impasse, a means of increasing the ultimate effectiveness of state monopoly regulation as a whole. This is extremely important in connection with the fact that in the socio-economic area the country is faced with problems which are in the jurisdiction of the local authorities and for whose solution they have neither the means nor the powers. In the end this contradiction determines many of the peculiarities and slogans of the political, interparty struggle and undermines the domestic political and social stability.

Federal Subsidies Are a Tool of Integration and Subordination

The need to establish such ties between the federal government and the state and local governmental machinery did not arise all at once. In the

premonopoly era the states, which were relatively strong economically and constitutionally, in point of fact carried out the bulk of governmental funding, in many areas they were effective tools of local authority. Apart from that, the impact of the absolute strengthening of the nonfederal governmental machinery was based on its ties with local industrial and bank capital, while governmental interference itself, which was comparatively insignificant in depth, was of a local or regional nature.

With the increase of the concentration and centralization of capital and with the development of national forms and scales of governmental regulation, the increase of the economic interdependence of the federal government and the state and local governmental machinery and the integration of their resources began to assume particular importance for the accomplishment of its ultimate goals. In other words, the question arose of adapting the relatively decentralized federal system to the extended and aggravated national problems. The interests of big monopoly capital, which was no longer interested in maintaining domestic territorial administrative barriers in the way of its functioning, also told here in the most direct way.

The choice of federal subsidies as a tool for consolidating the economic functions of various levels of the governmental machinery is quite natural. Having emerged during the depression of 1929-1933 as a form of aid to the states and local authorities, whose financial and administrative resources were clearly inadequate for solving the arisen problems, subsidies at the same time were a convenient means for Washington to escape real responsibility and to formally place it on the local echelons of governmental authority. However, such a "compromise" between the centralist and localist trends in the development of the governmental system resulted in the obvious dependence of the states and local authorities on the federal government. This became especially evident during the postwar period, when the United States was faced with a set of domestic socio-economic problems, which should have been solved, above all owing to the traditional distribution of functions, precisely by the states, counties and municipalities. Here the initiative in making the most important decisions was concentrated more and more not on the local level, but on the federal level, which attested to the further development of the process of centralizing governmental authority.

It is possible to demonstrate graphically the process of the increase of the interdependence, or more correctly the dependence of the local echelons of governmental authority on Washington by Table 2. It illustrates the fact that federal subsidies have been transformed from an element of occasional economic aid to the states and local authorities into a permanent and substantial component of the federal budget, being now 17.3 percent of its total expenditures and 23.3 percent of the civilian expenditures. During the 1978 fiscal year, according to an estimate, the amount of the subsidies increased to \$81.9 billion.¹¹ Here it is also important that the real significance and influence of federal money on the local budgets go beyond the purely statistical framework of their proportion, which is considerable as it is, in the expenditures of the state and local authorities

(27.5 percent). Their multiplicative effect is also in evidence. Thus, for every dollar subsidized by Washington there are \$1.34-3.04, which are spent by the states, counties and municipalities by way of observance of the conditions for receiving aid (this procedure has received the name "matching funding"), or owing to other circumstances.¹² Thus, the "connection" of state and local financial resources to the implementation of federal programs is occurring, their attachment to the plans of the federation is being strengthened.

Table 2

Federal Subsidies to States and Local Authorities

Year	Billions of dollars	Percent of expenditures of federal government	Percent of domestic expenditures of federal government	Percent of expenditures of states and local authorities
1950	2.3	5.3	8.8	10.4
1960	7.0	7.6	15.9	14.7
1970	24.0	12.2	21.1	19.4
1975	49.7	15.3	21.3	23.2
1976	59.0	16.1	21.7	24.7
1977	72.4	17.3	23.3	27.5

"Significant Figures...," p 8.

Table 3

Structure of Federal Aid to States and Local Authorities, Percent

	1952*	1962*	1972*	1978*
Natural resources and environmental protection	1	2	2	8
Agriculture	4	6	1	-
Transportation	18	36	15	14
Urban renewal and regional development	1	3	9	8
Education, labor resources, social services. .	9	8	26	20
Health	8	5	17	19
Minimum income assurance program**	57	38	26	18
General Revenue Sharing and other types of aid	2	2	1	11
Others	-	-	3	2

* Fiscal years.

** Various programs of assistance to the poorest strata of the population. Compiled on the basis of "Special Analysis O. Budget of the U.S. Government. Fiscal Year 1978," Washington, 1977, p 271.

When examining the structure of subsidies (Table 3) and grants the fact that it reflects itself indirectly the main directions of government regulation

and interference is quite evident. In particular, the increase of the proportion of assets, which are allocated for health needs, social service agencies and services, environmental protection and urban renewal, is typical in the context of recessionary events in the corresponding areas.

The federal government, by shifting to the regular and large-scale pumping of money into the budgets of states and local authorities, is pursuing far from only the goal of removing them from the grip of the fiscal problems which have attracted attention especially after the aggravation of the financial crisis of New York in 1974-1975. In the general context of its decisions on political and socio-economic questions Washington regards the states and local authorities above all as bearers of its policy locally, as channels for realizing federally subsidized money. In the words of J. Carter, "the states and local authorities are the mechanism of delivery for the majority of most present services which the federal government renders."¹³

Federal subsidies, mainly special-purpose subsidies, which are granted in many instances on the condition of "matching funding," are becoming the most important tool of the socio-economic policy of the federal government. In the opinion of one researcher of American federalism, Professor D. Moynihan, "the idea of special-purpose subsidies is based on the concept of solving national problems with the maximum participation of the governments of the states and local authorities."¹⁴

While aiming at the greatest possible involvement of the local echelons of authority in the orbit of the national plans of governmental regulation and interference in economic life, the federal government at the same time in its socio-economic policy is agreeing to the use of methods of "threats and bribery" and is striving to raise the issue so that the dependence of the states and local authorities on Washington would not develop into its responsibility to them and for the problems being solved by them. On the initiative of the Nixon administration the General Revenue Sharing Program was introduced for this in 1972 in the set of tools of the economic ties between Washington and the governmental machinery locally under cover of the demagogic slogans about the "return of power to local areas." It ensured the uncontrolled distribution in favor of the states, countries and municipalities in excess of an additional \$30 billion over five years.¹⁵ In fact the allocations for this item began to serve as an additional channel for giving financial support to the states and local authorities (with their tight budgets) to ensure their uninterrupted operation in the entire system of state monopoly capitalism. The question about subsidies also arose during the 1978 midterm elections. At that time the mayors of a number of large cities advanced demands on the need to increase the amount of federal assistance and to make up the obvious inadequacy of the money being released by Washington for social needs, the solution of unemployment problems, the elimination of urban slums and so on.

Thus, at the present stage subsidies of the federal government to the states and local authorities have a dual purpose--as a means of giving them financial assistance and as a form of their involvement in the national orbit of

governmental regulation with the use of local resources and means. In both instances there is observed the objective process of an increase of the dependence of the local echelons of authority on Washington, which is shifting more and more from the basic concept of federalism as the /sharing/ /in boldface/ of functions to the direct involvement of its junior partners in the solution of problems of a national nature and is speeding up the restriction of their economic autonomy. This is causing a certain resistance of the states and local authorities, which see in this direct defiance of local interests; the lack of conformity between the formal framework of federalism and its socio-economic content is appearing more and more. In the end this is making more and more difficult the solution of a large number of domestic problems of the country.

Economic Federalism as a Form of Internal Contradictions

The extension of the scope and the intensification of the contradictions between Washington and the governmental machinery of the states and local authorities are quite natural. During the premonopoly era, in connection with the limited scope of both governmental control over socio-economic processes and budget financing, federal relations were confined to a constitutional law and juridical framework. With the development of the process of centralizing governmental authority and the attempts to integrate the states, counties and municipalities in the orbit of national regulation and with the development of state monopoly capitalism this scope was increased substantially, creating at the same time the conditions for the development of contradictions. With the development of state monopoly capitalism these authorities have been functioning more and more as governmental institutions which defend the economic interests of local financial groups before the federal government. Thus, in the early 1970's during the conflict with Washington concerning the rights to control oil drilling on the U.S. continental shelf there were attempts by state authorities to protect the interests of local oil companies (especially in Texas and Louisiana) against more rigorous restrictive measures of the administration of the capital,¹⁶ which moreover expressed the interests of certain regional groups of financial capital. Typical in this respect is the struggle of California authorities, who are backed by local oil companies, against the measures proposed in Carter's energy program to increase the taxes on oil and gas and to encourage the use of coal.¹⁷ Similar, quite frequent opposition to the positive steps of Washington in the field of economic policy is also being stepped up by the fact that traditionally the states have been the stronghold of conservative, and at times reactionary forces, which take advantage of local laws to guarantee their own interests. There have been noted, for example, cases of the underutilization of the special-purpose assets for social needs, unconcealed racial discrimination in matters of job placement, the organization of education and local elections, which is impermissible even from the standpoint of federal laws.

The formed contradictions are being manifested sharply and vividly in the very set of tools for attaching the states and local authorities to the implementation of national programs and priorities, and namely in matters of

subsidizing local budgets. The differences of principle here are causing misgivings on the part of the local governmental machinery about the further transformation of subsidies into a means of restricting its budgetary and, through it, political autonomy. The far from rare noncoincidence of federal and local priorities and the tremendous bureaucratic red tape involved with receiving and using federal monies are also creating serious criticism. In the end all this is leading to the loss of the freedom of economic maneuvering for the states and local authorities and to the ineffective use of monies, including the monies which are allocated for one program or another from local budgets. Thus, the restrictions on the use of federal subsidies for the program to aid urban transportation (Mass Transit Aid), which are granted on the condition of their realization only for capital investments and the purchase of rolling stock, had the result that many cities, which need to organize less expensive maintenance and repair services, were forced to agree to purchase new buses while the old ones were being substantially underutilized.¹⁸ In two laws on highway construction (The Highway Beautification Act, The Emergency Highway Energy Conservation Act) the refusal of the states to observe a number of standards (in particular, the esthetic requirements of the layout and surroundings of highways) is connected in general with the withdrawal of federal funds.¹⁹

The poor coordination of federal aid programs in the end leads in a number of instances to adverse consequences for states, counties and cities, complicating rather than solving the problems which the local governmental machinery, particularly the municipalities, is faced with. Thus, the creation of the Federal Interstate Highway System,²⁰ if examined in long-term historical retrospect, was conducive to the undermining of the tax base of cities. The point is that this program, having accelerated the process of suburbanization and the dispersal of housing construction, increased the outflow of industry and the well-to-do population to the suburbs; this immediately affected the decrease of revenues of the municipalities and the budget crisis of large cities. In this case the very system of federal aid to cities, as before, has been orientated toward the priority of the financing of rich urbanized counties and suburbs, which was incorporated in it during the Nixon-Ford administration, to counterbalance the decaying urban centers.

On the national scale the functioning of the system of federal grants is also leading to the territorial redistribution of the national wealth and the differentiation of states into "donors" and recipients of federal monies. This is intensifying the contradictions not only between themselves, but also between the federal government and the states. In this respect the state of Michigan can be an example: while providing 5.4 percent of all the tax receipts of the federal budget and having 4.3 percent of the U.S. population, it receives in the form of subsidies only 4.1 percent of their total amount.²¹ Although on the whole the idea of the system of subsidies consists in a certain equalization of the levels of development and the provision of aid to the neediest regions, its long-term operation not only produces some positive effect, but also acts differently on the dynamics of the growth of the northeastern states, on the one hand, and the

southern states, on the other, and entails a "new war between the states." Thus, the encouragement of the development of the previously backward states of the South and in part of the West led to a significant influx there of industry and capital from the regions of the Northeast, where in connection with this unemployment increased even more, the rate of economic development declines and the crisis of industrial centers and large cities was aggravated. Here is just one example of this enormous irrational transfer of financial resources. From 1970 through 1974 the federal government received from the state of New York \$7.4 billion more than it spent there; at the same time in California it levied in the form of taxes \$2 billion less than it invested.²³

The contradictions are not confined to the area of subsidies. In a number of instances serious discrepancies are observed in the sphere of governmental social policy, where the local echelons of authority, which at times are controlled by conservative and racist groups, reduce the efforts of Washington to naught. As an illustration it is possible to cite the example of how the authorities of Los Angeles have used the "surplus" money from the General Revenue Sharing Program: of the \$22.5 million for the social needs of the city in 1975 only \$4.4 million were spent.²⁴ In fact the budgetary and tax prerogatives of the states and local authorities are outside federal control. Meanwhile, taking into account the maintained and until now considerable magnitude of the monies being redistributed through the budgets of states, counties and municipalities, as well as the amount of government purchases at this level, and the absolute and, at times, relative increase of local taxes, the coordination of government policy between Washington and the local echelons of the governmental machinery is becoming extremely necessary. Owing to the developed crisis of the entire system of state monopoly regulation and the increase of the instability of state monopoly capitalism, the inadequate coordination in this area is decreasing the effectiveness of the functioning of the entire governmental machinery and is frustrating the solution of the problems facing it.

The Search for a Solution

The need to integrate all governmental budgetary and administrative resources under the conditions of the crisis of state monopoly capitalism was conducive to the fact that questions of federalism occupied one of the most important positions during the elaboration of the principles of the socio-economic policy of the government. The need to moderate the contradictions between Washington and the local governmental machinery appeared especially clearly against the background of the attempts to eliminate such defects of American society as the crisis of the cities, the public education system, social security and so on, where the success or failure of federal initiatives to a considerable extent depends on the degree of coordination of the efforts at various levels. The expectations of artificially speeding up (especially during the Johnson administration) the process of centralizing authority and of issuing direct special-purpose dictates with respect to the states did not come true because this coordination was quite weak. In the opinion of American experts themselves,

"...federal discipline is limited to granting or refusing to issue capital. The refusal to grant subsidies in fact leads to giving up the achievement of the set national goals."²⁵

In 1966-1975, under pressure of the lobby groups of the states and local authorities, as well as owing to the realization of the ineffectiveness of strictly regulated special-purpose subsidies and the increase of opposition to them, the Nixon-Ford administration was forced to agree to the introduction of more "liberal" forms of aid, such as block subsidies and General Revenue Sharing, the proportion of which has presently reached respectively 14 and 10 percent of its total amount.²⁶ J. Carter spoke out quite sharply on this issue, when he announced a "concentrated attack on red tape and confusion in the federal system of subsidies" and admitted that as it grows it is becoming "increasingly irrational, inefficient and irresponsible to various local needs."²⁷ Accordingly a number of initiatives were undertaken for the purpose of simplifying the procedure of funding and planning of federal spending and the management of some programs. For these purpose during the first months that the present administration was in office, in accordance with a presidential directive, "communications groups" with the governments of the states and with the local authorities were set up in all the departments, the task of these groups is to consult with the local governmental machinery in drafting the appropriate aid programs.

Nevertheless, Carter's approach to solving the problem of federalism in the final analysis is close to the methods traditional for the Democratic Party. Whereas Nixon's "new federalism" program was based on "the shift from the Johnson strategy on providing services to the strategy of income redistribution" (that is, to the transfer of federal monies to the states and local authorities) and on attempts to strengthen the states somewhat and to give them greater powers, while the Republicans (Eisenhower, Nixon, Ford) in general acted here under the guise of delegating expanded budgetary and economic rights to the local echelons of authority, the 39th President has returned to the principles of special-purpose (program) funding, which was adopted by his party predecessor L. Johnson and is leading to the actual limitation of the powers of the local governmental machinery.

The Democratic administration has concentrated its attention on the problem of urbanization, recognizing the development of a strategy in this area as "essential for... the development of the national economy." For this purpose during the 1977 fiscal year the amount of aid to cities was increased by \$11 billion; in 1978 all federal subsidies to states and local authorities increased to \$80 billion, while in 1979 they will be \$85 billion.²⁸

At the same time the administration has not offered any fundamentally new approach to resolving the contradiction between the interests of Washington and the governmental machinery of the states and local authorities. It has turned to the tried methods of transferring federal monies to the local budgets, imposing on them, as before, the real responsibility for solving the acutest socio-economic problems of the country. Moreover, having realized the inability of the government to solve centrally the problems of the

cities and to properly manage the \$58 billion being allocated during the 1979 fiscal year for these purposes, the President was forced to appeal to the slogan "a new partnership" with the states and cities. But the administration did not go beyond such demagogic and vague formulas. Having confirmed the contradictoriness in his policy and the lack of initiative in the area of federal construction, Carter was forced to resort to shifting governmental obligations from the federal government to the local levels of the governmental machinery. Thus, in May 1978 he asked Congress for \$200 million to encourage at the level of the authorities of the states the elaboration and implementation of their own measures to help the cities.²⁹ In point of fact there remains up in the air the well-known 1977 memorandum, which calls upon federal government agencies to hold continuous consultation on questions of economic policy, management and funding with the budget administrations of the states and local authorities.³⁰

On the whole after two years in office neither Carter nor his staff headed by his assistant for intergovernmental affairs has proposed anything new in solving this problem. The "new urbanist policy," the "new partnership" and the promise to restore "true federalism" in essence have reduced to regular necessitated admissions of the chronic crisis of U.S. cities and the need to further assist local budgets.

The search for a solution is being carried out far from only on the federal level. Not counting on Washington, the states and local authorities themselves, for the purpose of eliminating their budget deficits and maintaining a certain level of economic autonomy and independence, are agreeing to the diversification of the tax structure, are attempting to improve local planning and to increase the effectiveness of various programs. (As a result of such measures the states as a whole completed the 1977 fiscal year with a small surplus, but this has far from solved the problem.) The increase of subsidization by the states of local (in particular, urban) needs and aid to municipalities and other local authorities (thus, in 1976 its amount was \$56.6 billion or 60.8 percent of the local authorities' own revenues) is becoming a more and more significant factor determining the dynamics of federal relations. In turn this is governed by the fact that in the very unit "states - local authorities" there are being observed simultaneously a relative excess of assets among the former and a rapid increase of the shortage of assets among the latter. But the crisis of local budgets is developing against the background of an enormous and ever increasing federal budget deficit and a crisis of federal finances as a whole.

A definite role in maintaining the importance of the states and their functions in the system of state monopoly capitalism is being played by the obligations imposed on them by the federal government on redistributing the federal subsidies among the local authorities, which is making these latter dually dependent. By delegating to the states distributive functions in the three-tier governmental system, Washington is thereby attempting to avoid direct responsibility for the implementation of a number of programs, making precisely the states formally responsible to the local units of the governmental machinery. Thus, the centralization of authority on a regional scale is taking place.

In their traditional policy in the area of subsidizing the system of local education, social security, health and road construction (a decisive proportion of all state subsidies--80.5 percent--falls to them) the states--owing to the need to eliminate the seats of social tension in the centers of the largest agglomerations--were forced to agree to the redistribution of the greater part of the subsidies in favor of the municipalities, in whose expenditures they were already 31 percent of all state grants. A number of states, for example Rhode Island and Nevada, by way of legislation are organizing groups to study the problems of the cities and local finances.

But such steps are far from always of a national nature, and their depth and breadth depend on local possibilities and interests. Therefore the Carter administration, recognizing the increased role of the states, at the same time "is not risking" in its urban policy relying on them as its bearers, as well as linking their surplus resources to the implementation of this policy. As a result a paradoxical situation has formed, in which new and formally possible means of giving more earnest aid to the destitute cities have not been developed due to the stagnation of the federal system itself and the considerable autonomy of its individual units. Another reason for the inconsistency in the administration's policy is its reluctance to agree to the redistribution of assets in favor of large cities, to reject the priority of protecting the financial interests of the wealthy white suburbs and to shift to the financing of social expenditures at their expense.

On the whole the American governmental system has come into obvious contradiction with the nature of the new demands being made on it. The chaotic and poorly coordinated distribution of the functions of governmental regulation among the various levels of authority and the considerable degree of decentralization of the structure of the governmental machinery, which is being artificially maintained by local political and financial groups, have aggravated the problems of a national nature.

Nevertheless, at present there is practically no sufficiently realistic alternative to resolving the contradictions of economic federalism. The steps being taken set as their goal to combine two incompatible principles--to maintain the economic autonomy of the states and local authorities and at the same time to adapt the federal system to the needs of national governmental regulation through the integration of local resources with federal resources. The obvious discrepancy between the socio-economic and constitutional law dynamics of American federalism is leading to a decrease of the efficiency of operation of the entire U.S. governmental machinery and to the undermining of the opportunities to solve the problems facing it in the system of state monopoly capitalism.

There is no doubt that subsequent change of federal relations in the United States will entail an intensification of the crisis phenomena in this area and an increase of the contradictions between the higher and lower echelons of governmental authority. In the end the further development and complication of economic ties on the national scale and the general laws of the

development of state monopoly capitalism are leading to the transformation of the states into the bearers of the state monopoly policy locally. This confirms Lenin's conclusion that "...capitalism /inevitably/ /in italics/ leads to the centralization of governmental authority, and /all/ /in italics/ local self-rule will /unconditionally/ /in italics/ be defeated under reactionary governmental authority."³¹

FOOTNOTES

1. In the United States the municipalities, the executive and legislative bodies of counties and towns, and the administrations of school and special districts are considered local authorities. There are great differences between the political, administrative and budgetary powers of the local authorities and the states. The laws of the states have priority over local laws.
2. H. Jacob, "Politics in the American States," Boston, 1976, p 3.
3. In the United States in 1974 there were 78,268 authorities, including the executive and legislative bodies of the 50 states, 3,044 counties, 18,517 cities (municipalities), 16,991 towns, 15,781 school districts and so on.
4. W. Bennet, "American Theories of Federalism," The University of Alabama, 1964, p 37.
5. Ibid., p 211; "Improving Urban America: A Challenge to Federalism," Washington, 1976, p 104.
6. "Governmental Finances in 1975-1976," Washington, 1977, p 22.
7. Ibid.
8. R. Kleine, "State-Local Tax Incentives and Industrial Location," Washington, 1977, p 10.
9. It should be kept in mind that the local governmental machinery is interested in increasing the capital within the boundaries of the given administrative unit, for even a limited assessment on the profit and property of firms yields substantial revenues for local budgets. Moreover, the greatly corrupted election system in fact is subordinate above all to the interests of "its own" monopolies and reacts sensitively to the dynamics of their activities.
10. ... w. t. the regressiveness of local taxes the main burden of taxation lies on the less well-to-do strata of the population. See in detail the article of I. A. Geyevskiy and Ye. D. Mikhaylov in SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 2, 1979--editorial note.

11. INTERGOVERNMENTAL PERSPECTIVE, Vol 3, No 4, 1977, p 11.
12. "Federal Grants: Their Effects on State-Local Expenditures, Employment Levels, Wage Rates," Washington, 1977, p 7.
13. INTERGOVERNMENTAL PERSPECTIVE, Vol 4, No 1, 1978, p 10
14. "American Federalism: Toward a More Effective Partnership," Washington, 1977, pp 17, 60.
15. In 1976 the term of force of the program was extended another five years.
16. NATIONAL JOURNAL, 8 May 1976, pp 618-625.
17. See the article of V. A. Nazarevskiy, "Summing Up the Energy Debates," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 2, 1979.
18. "Financing the New Federalism: Revenue Sharing, Conditional Grants and Taxation," Baltimore, 1975, pp 40-41.
19. STATE GOVERNMENT, Winter 1975, p 34.
20. See in detail the survey of Yu. I. Rigan in SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 3, 1979--editorial note.
21. "Improving Information on Federal Programs," Joint Hearings Before the Subcommittee on Intergovernmental Relations of the Committee of Government Operations, U.S. Senate, Washington, 1976, p 62.
22. STATE LEGISLATURES, July-August 1976, pp 6-8.
23. "Impact of the New York City Crisis on the National Economy," Hearings Before the Joint Economic Committee, Washington, 1975, p 14.
24. P. Terrel, "The Social Impact of Revenue Sharing," New York, 1976, p 100.
25. A. Harbert, "Federal Grants-in-Aid. Maximizing Benefits to States," New York, 1976, p 10.
26. "Treasury, Postal Service and General Government Appropriations for Fiscal Year 1976. Hearings...," Washington, 1975, p 388. "Block subsidies" are granted on the condition of the observation of a much smaller set of requirements and restrictions as compared with "special-purpose subsidies." The received assets are used in a relatively broader functional area (for example, the financing of local expenditures on medical service, transportation construction). In accordance with the General Revenue Sharing Program subsidies are granted as outright financial aid which is not restricted (formally) by any conditions.

27. INTERGOVERNMENTAL PERSPECTIVE, House of Representatives, Vol 3, No 4, 1977, p 5.
28. NATIONAL JOURNAL, 28 January 1978, p 141.
29. NATIONAL JOURNAL, 3 June 1978, p 872.
30. INTERGOVERNMENTAL PERSPECTIVE, Vol 4, No 1, 1978, p 6.
31. V. I. Lenin, "Poln. sobr. soch." /Complete Works/, Vol 17, p 164.

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NEW U.S. LEGISLATION AND THE INTERNATIONAL LEGAL ORDER

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 42-53

/Text/ Article by I. P. Blishchenko and M. F. Zubkov/

/Text/ The U.S. federal law entitled the Foreign Sovereign Immunities Act 1976 went into force on 19 January 1977.¹ In Soviet legal literature its name was translated as the law on immunities of the foreign state, since precisely this is discussed in it. At the same time this generally correct translation does not reflect the entire degree of discrepancy between the name and content of the law. For this law, which is passed off as an act which is aimed at affirming the recognition by the United States of one of the founding principles of contemporary international law--the principle of state sovereignty--in fact is aimed at undermining this principle.

Sovereignty is an integral attribute of the state. It exists objectively, as a definite phenomenon in the social and legal sphere. And its existence is governed by the needs to develop relations between states, while the respect of sovereignty is a law of the development of modern international relations. Its specific content is also determined by the existing circumstances which are expressed and formulated in modern international common law. It is impermissible to withdraw sovereignty or to determine its content from the premises or doctrines of the domestic law of an individual state or the subjective laws of an abstract subject of abstract legal relations, since this leads to the absurd, to the denial of objectively existing material processes of international contacts, to the replacement of the universally accepted principles of international law, which reflect these processes, by abstract schemes which only convey the self-will and pragmatism of thought of their creators.

State sovereignty as an international legal concept has been formulated, affirmed and consolidated in international common and treaty law. It is well known that the sovereignty of a state necessarily presumes its immunity from any foreign jurisdiction. This immunity is also consolidated by many norms of international common and treaty law and exists objectively, independent of the discretion of any foreign court; it means above all that

the state, as a sovereign, is outside the jurisdiction of any foreign court, with the exception of instances when it voluntarily, openly and unequivocally agrees to settle one or another of its legal relations by means of a foreign law or a foreign court.

The mentioned U.S. law proceeds from the directly opposite point of view, establishing that U.S. local courts can try a foreign state without any consent on its part, moreover it gives these courts the right to sanction attachment or other compulsory actions with respect to the property of a foreign state.

The circular note of the U.S. State Department of 10 December 1976, which informed the foreign embassies in the United States about the main provisions of the mentioned law, is noteworthy.²

In the note it is stated that this law conforms to the American doctrine of "limited immunity of the foreign state," which international law seems to support. The fact that in its turn since 1973 the United States has more than once declared its immunity in the foreign court (at least if we have in mind the specific instances which the 1976 law discusses) is advanced as the grounds which ostensibly give American courts the right to ignore the immunity of foreign states.

This reference to the ostensibly existing reciprocity in this matter is groundless. In some specific instance one state can voluntarily recognize the jurisdiction of the foreign state, this is its sovereign right, but the realization of this right does not create the counter obligation of another foreign state to recognize in similar instances the jurisdiction of American courts. One state is not competent to demand of other states that they act in the same way as it acts, deviating from the universally recognized norms of international law. If one state is interested in adhering to the principle of reciprocity in any question of its relations with another foreign state, the former can propose to the latter to conclude with it the appropriate agreement which establishes their mutual rights and duties in this specific area. To determine the duty of a foreign state by its own domestic one-sided act means the refusal to respect its sovereignty, which undermines the principles of modern international legal order.

In the mentioned State Department circular note it is also asserted that the law on the immunity of the foreign state "puts an end" to the existing American practice of seizing or attaching the property of the foreign state to ensure the jurisdiction of the American court, and the "absolute" immunity of the foreign state from the jurisdictional attachment of its property is also confirmed. However, here the note (like the law) directs attention to "some exceptions" to this "absolute" immunity. What are they?

As is apparent from § 1610 of the 1976 law, attachment to ensure the execution of a court decision or the compulsory execution of a court decision can be applied to the property of a foreign state, which is located in the United States, in the following instances:

when the foreign state gives its legally expressed consent to this or its consent /is implied/ /in boldface/; here subsequent repudiations by the state of this consent of it to submit to American jurisdiction should not be taken into account by the court, if these repudiations do not meet the conditions of the /implicit/ /in boldface/ (!) consent declared by it earlier;

when the property of the state is being used or was used for commercial activity serving as the basis for this action;

when compulsory execution concerns a court decision establishing the rights with respect to the property which was seized in violation of international law or which was exchanged for property seized in violation of international law;

when compulsory execution concerns a court decision establishing the rights with respect to the property which was acquired by inheritance or as a gift or which is real estate, is located in the United States and is not used as the housing of diplomatic or consular representations or as the residence of the head of these representations;

when the property is any contractual obligation or any consequence of a contractual obligation, which is aimed at recovering or not incurring losses for the foreign state or its employees and which stems from a car or other insurance policy against liability or losses, on which a suit satisfied by the court was based.³

Thus, first, the U.S. law empowers the American court to decide, whether in fact there is--or there is only /implied/ /in boldface/--a waiver by the foreign state of its immunity from compulsory court actions (if the foreign state has waived its immunity from attachment in aid of execution or from execution either explicitly or by implication).⁴

In practice this means the complete denial of the immunity of the foreign state, since the American court is free "to imply" everything that it thinks fit.

Second, as to depriving a foreign state of immunity in instances when its "commercial activity" served as grounds for the action, here an extremely broad interpretation is also permissible, since paragraph (e) of § 1603 of the mentioned law specifies that both "the normal course of conducting commerce and the individual commercial deal or act" is considered commercial activity, as well as the fact that "the commercial nature of any activity should be determined (by the American court!--author's note) above all by means of reference to the nature of the normal course of conduct or the individual deal or act, and not by means of reference to its purpose."

Paragraph (e) of § 1603 further gives a definition of "the commercial activity carried out in the United States by foreign states." Such is the commercial activity which is carried out by a foreign state which has "substantial contact with the United States."⁶

This, mildly speaking, rhetoricalness of the wording of the law is no doubt aimed at creating all kinds of prerequisites for legal chicanery, which has won the American courts a reputation of long standing. In practice this will mean the almost complete arbitrariness of the American court in defining the limits of immunity of the foreign state.

Strictly speaking, the latter assumption can have the result that even the foreign trade agreements or deals, which are concluded between foreign states or their organizations on U.S. territory, will come under obligatory jurisdiction of the American court, if the latter so desires.

In this connection, the above-quoted provision of the law with respect to "the property seized in violation of international law, or such property which is located in the United States or property received in exchange for such property" attracts particular attention. The American court is thereby empowered to interpret whether someone's property was legally seized from the standpoint of international law. That is, this court will also determine the legitimacy and "legality" of the legislative acts and actions of foreign states from the standpoint of international law with respect to specific acts of the state. However, in this instance it will be a matter of a one-sided interpretation, which cannot be regarded as an objective appraisal.

Here, in order to understand the political essence and consequences of the application of this law, it is necessary to bear in mind the nature of the U.S. legal system.

Let us cite the opinion of American lawyer D. Karlen, a well-known expert of the U.S. legal system.

"One of the most striking features of the American judges," he writes, "is that they are nearly all without exception the handiwork of politics.... The universal elections of judges are a farce and deception of the public.... This is confirmed by public opinion surveys. It turns out that, when it is a matter of electing judges, the majority of voters simply vote for the party line. As a result in reality the selection of judges depends completely on the party leaders who nominate them. And this selection inevitably falls to the loyal ones—those who performed political missions, for example 'extorted the votes of voters,' 'obtained money and managed a campaign.' These party figures might or might not be competent lawyers with the prospect of becoming competent judges, but this circumstance is not significant.... Appointment to judgeships is not necessarily less connected with politics than election to these positions by the population. The head of the executive does not always show an interest in legal talents, but he does show an interest in political talents and almost always has political debts, which can be paid off by appointment to judgeships."⁷

In our opinion, the political direction of the American law on the immunity of the foreign state is to create a "legal" basis for protecting the interests of American and international monopolies and to design a mechanism

which would make it possible to interfere in the internal affairs of states in defiance of international law under the guise of "law" and "legality".... In all obviousness it follows that precisely this is the aim of the actions of the American lawmaker.

Does such a position conform to the existing procedure of international relations and to the main principles of international law? And what is the attitude of the American lawmaker to international legal order?

§ 1607 of the 1976 law asserts, in particular, the following: "Since this is stipulated by international agreements in effect, to which the United States is a party at the moment this law goes into effect, the property of the foreign state, which is located in the United States, will enjoy immunity from attachment or compulsory execution, /with the exception of the instances mentioned in § 1610 and § 1611 of this chapter/"⁸ /in boldface/ (emphasized by us--authors).

But the application even of not all, but only some of these "exceptions," to say nothing about all of them together, as was shown above, leads to the complete denial of the immunity of the foreign state from the jurisdiction of the American court, that is, it makes it possible to ignore the specific international treaty norms, which have been concluded by the United States with foreign states. The 1976 law, thus, directly establishes that U.S. obligations according to international agreements, which have been signed, ratified and have gone into force, are subject to fulfillment on U.S. territory only by virtue of the decisions of local American courts. Moreover, the American supreme lawmaker by this law obliges the courts in the United States not to fulfill the indicated agreements either in full or in part.

But this cannot be understood as anything by the undermining of the main principle of international law, the principle of *pacta sunt servanda*, which is an extremely dangerous practice which is aimed at undermining the principles of international legal order.

The already mentioned circular note of the U.S. State Department of 10 December 1976 contains another important provision which disorganizes the universally accepted rules of diplomatic relations between states, which have been proven by time. In this note the State Department informs the foreign states that the U.S. law on the immunity of the foreign state "prohibits" the State Department to make decisions concerning the immunity of the foreign state, since such decisions are made exclusively by the courts. Thus, the State Department will henceforth not be able to continue the practice, which has existing until now, of supporting diplomatic inquiries about the definition of the immunity of a sovereign and the conveyance of such a definition of immunity to any American court.

Thus, the United States of America is officially stating that its central agency of foreign relations is not empowered either to interpret or to further the correct and strict observance of U.S. international agreements with foreign states. Moreover, the U.S. State Department itself is thereby

not empowered to fulfill, for example, such a most important agreement (130 states of the world, including the United States, are a party to it) as the 1961 Vienna Convention on Diplomatic Relations. Paragraph 2 of Article 41 of the 1961 Vienna Convention, in particular, states that "all official dealings with the state of residence, which have been entrusted to the representation of the accrediting state, are carried out with the ministry of foreign affairs of the state of residence or through this ministry, or with another ministry, with respect to which there is an understanding, or through this other ministry."

This clause clearly specifies that the state of residence is not competent to establish unilaterally the rules of direct relations of the foreign diplomatic representation with other governmental institutions, except its ministry of foreign affairs, without the consent of the accrediting state to this, without the appropriate understanding or agreement between the states. In all situations the department of foreign affairs, according to the Vienna Convention, takes direct part in solving all the questions concerning the representation of the states. The U.S. State Department states that in matters of determining the immunity of the foreign state, its representations and officials the foreign diplomatic representations should appeal directly to the American court. Moreover, precisely these rules of relations are assigned by § 1608 of the 1976 law, which establishes the general rules of the relations of the American courts with foreign states. This paragraph, in particular, empowers the clerk of any American court to send court documents directly to the minister of foreign affairs of the foreign state, and only in the instance when the delivery of the documents cannot be accomplished in 30 days are the documents sent by diplomatic channels through the U.S. State Department.

The foreign state, according to the American law, is obliged to answer the American court within 60 days after receiving the court summons and a copy of the statement of claim.

In case of the failure of the defendant--the foreign state--to appear in the American court, the latter nevertheless can rule on the case and satisfy the claim, if it finds it sufficiently valid. In this case a copy of the court decision is sent to the foreign state.

As a result it turns out that the central department of U.S. foreign relations can be removed from conducting them with one foreign state or another at the discretion of the local American court and without the consent of the given state to this. Moreover, the American lawmaker is not at all interested either by the position of the foreign state in the area concerning the legalization of foreign documents, their appropriate official authentication, the translation of these documents and so forth, or by the position of the foreign state in the area of the recognition and execution of American court rulings.

The U.S. position is especially dangerous as it affirms the arbitrariness of the American court in an extremely important area of international

relations--in the area of diplomatic ties between states. The state of affairs in this matter was aggravated even more after the U.S. Congress passed in September 1978 a new U.S. federal law on diplomatic relations.

This law has as a goal, as U.S. Department of Justice representative B. Ristau stated in Congress on 5 June 1977, to affirm and supplement the 1961 Vienna Convention on Diplomatic Relations, to repeal the 1790 federal law on immunities and to make the legal procedure in the United States and diplomatic immunities uniform.

The world public, and above all the foreign diplomatic corps in the United States, would have unquestionably greeted Washington's efforts, which were aimed at the extensive and strict observance by the United States of those of its international treaties and agreements, which grant to the staff members of the diplomatic representations of foreign states privileges and immunities for the purpose of effectively performing their functions. It is necessary to note frankly that the systematic and quite extensive violation in the United States of the status of the staff members of foreign diplomatic representations often creates situations where the staff members of these representations become the victims of insults, blackmail and even direct attacks, up to murder. And in many instances the culprits are not found.⁹ In case of arrest the criminals often get off with insignificant punishments, or else are generally freed from punishment. U.S. governmental agencies and their officials frequently become not only the organizers, but also the executors of illegal hostile actions against foreign diplomatic representations and their staff members. The American police, for example, often (and with impunity) undertake coercive action with respect to diplomatic motor transport. At U.S. airports the inspection of the baggage of diplomats, and even a body search and so forth are customary practice.

Therefore, the foreign diplomatic corps in the United States, as perhaps in no other country of the world, would be interested in the affirmation of the proper conditions of legality on the question of diplomatic privileges and immunities.

However, a careful study of the law on diplomatic relations leads to the conclusion that it is a matter not of increasing the responsibility of this state for the observance on its territory of the international agreements and treaties signed by it and not of increasing the responsibility of its citizens, and above all its officials, in case of their violation of the privileges and immunities of the staff members of representations, but of weakening and actually reducing to naught these privileges and immunities, of creating conditions under which it is possible to restrict the effective performance of functions by the staff members of the representation of a foreign state on U.S. territory. In other words, it is a matter of creating conditions which violate U.S. international obligations.

In accordance with paragraph 2 of Article VI of the U.S. Constitution, "all treaties made... under the authority of the United States, shall be the supreme law of the land." This means that the 1961 Vienna Convention on

Diplomatic Relations, which was duly ratified and went into legal force on U.S. territory in December 1972, became a U.S. national law. Many researchers of the problem of the relationship of international law and domestic legislation of the United States (for example, (Ch. Hide), E. Dickinson) validly conclude that the international agreements ratified by the United States are obligatory for the American courts, even if they were to be in conflict with earlier standards of American statute law (but on the obligatory condition that these standards of international law do not contradict the U.S. Constitution). A number of rulings of U.S. courts also speak about the priority of U.S. international obligations over its domestic law.¹⁰

In other words, the 1961 Vienna Convention on Diplomatic Relations can and should be applied after December 1972 by all U.S. institutions, including the court, as well as be observed as a national law by all the natural and legal persons on U.S. territory.

Therefore, first, the assertion of B. Ristau that the mentioned law is still only being called upon to "affirm" the Vienna Convention (which has already become the "supreme law" of the land!) and that the indicated law "supplements" the Vienna Convention is cause for astonishment. Of course, if the domestic law were aimed at increasing the rights and privileges, which are stipulated in the Vienna Convention for the staff members of diplomatic representations, this would be entirely an internal matter of the state and would speak only about the specific situation in the given country. However, when a domestic law is aimed at restricting these rights and privileges, in this case the question arises of the violation of the international obligations of the state, and in this case there can be no talk of any "supplementation."

In this specific case the law, in particular, states that any actions or proceedings, which are undertaken in the court or the appropriate administrative agency against a member of the personnel of a foreign diplomatic representation having immunity, should be contested orally or in writing by him personally or on his behalf in the court or administrative agency. In other words, in spite of the fact that Article 31 of the 1961 Vienna Convention speaks about the immunity of diplomatic personnel from criminal, civil and administrative jurisdiction (which, in particular, also provides for diplomatic immunity), the new law actually denies it. It is obvious that the procedure established by the law can be used for the most diverse abuses, which are capable of threatening "the effective performance of the functions of the diplomatic representation" (Article 3 of the Vienna Convention).

The Vienna Convention on Diplomatic Relations states that "a diplomatic agent is not obliged" even to testify as a witness (paragraph 2 of Article 31), but the new law obligates him to appear in court and to demonstrate his right to privileges and immunity, as if his presence on U.S. territory is not with the consent of the U.S. Government, but as if without its knowledge, and therefore the state and its agencies are not obligated

"to treat him with the proper respect and to take all the proper steps to prevent any infringement of his person, freedom or dignity" (*ibid.*, Article 29).

The Vienna Convention allows only four instances when the court can prosecute any case (paragraphs (a), (b) and (c) of Article 31 and paragraph 3 of Article 32). These are cases of property suits, which pertain to private real estate. But that is only if the diplomatic agent or a member of his family does not have this immunity on behalf of the accrediting state for the purposes of the representation; if it is a matter of suits concerning inheritance; and suits pertaining to any professional or commercial activity (on the basis of the fact that a diplomatic agent does not have the right to engage in the state of residence in a professional or commercial activity for the purposes of personal gain), and, finally, in the case of the institution of proceedings by the diplomatic agent himself.

In all other instances the Vienna Convention does not allow any actions whatsoever of the court or administrative authorities, which are aimed at restricting immunity with respect to a diplomatic agent or a member of his family, who has the right to immunity. After U.S. ratification of the Vienna Convention, this provision became, again in conformity with the U.S. Constitution, "the supreme law" of the land, which is subject to strict observance.

The law on diplomatic relations also develops the illegitimate position of the 1976 law on the immunities of the foreign state, placing the U.S. State Department as if in the position of a detached observer in such a most important question of foreign relations as the question of diplomatic privileges and immunities, which has no precedent in world diplomatic practice. The attempt to transfer to the courts the solution of this question is in complete contradiction with the international obligations of the country and violates the U.S. Constitution.

As to the administrative, technical and service personnel of the embassy of foreign states on U.S. territory, as on the territory of other participant countries of the Vienna Convention, here the provisions of its Article 37 are in effect, in accordance with which persons from the administrative and technical personnel of embassies are excluded from criminal jurisdiction at all times, while when performing official duties they are also granted immunity from civil and administrative jurisdiction. Here it should be specifically emphasized that in accordance with Article 29 of the Convention the state of residence is obliged to treat these people with the proper respect and to take all the necessary steps to prevent any infringements on their person, freedom or dignity. If these steps are not taken (for example, the given person was a victim of murder, blackmail), the state of residence bears full political, moral and material liability for such actions of its citizens in respect to such a person regardless of whether or not this person was performing his official duties. The members of the service personnel, if they are performing their official duties, also enjoy immunity from criminal, civil and administrative jurisdiction.

In each specific instance only the accrediting state, on the basis of its rules of domestic order, determines the period of official activity of its own workers. Therefore, the leaving of the solution of the question about whether given people enjoy immunity from criminal, civil or administrative jurisdiction to the discretion of the court or administrative authorities, as is stipulated in the law passed by the U.S. Congress, is another violation of the 1961 Vienna Convention.

The new law, as U.S. authorities state, repeals the obsolete provisions of the 1790 law. The American lawmaker thus has repealed the standard of this law, which had been in effect and which previously established the criminal liability for illegal actions with respect to a foreigner having immunity, including punishment for any lawyer, prosecutor, judge or other party in a case of the illegal institution of proceedings against a foreign diplomat. Now the illegal actions of U.S. officials in this matter do not entail punishment. Can this be called the strengthen of the law, which the American lawmaker, in his own words, had in mind?

One of the provisions of the mentioned law speaks about the right of the U.S. President to grant a greater or lesser extent of immunity to the staff members of diplomatic representations. However, in accordance with established practice the U.S. President (which accords with Article 47 of the Vienna Convention) can as it is apply one or another provision of the Vienna Convention restrictively owing to the restrictive application of this provision to his representation in the accrediting country or, on the contrary, broadly, if by custom or agreement this state grants the United States more favorable conditions than those which are required by the provision of this convention. In U.S. practice, for example, a large number of agreements are known, which on the basis of reciprocity grant diplomatic immunity to the administrative, technical and service personnel of a number of embassies, as well as to consular officials. The Vienna Convention has already resolved this question legally and, having become "the supreme law" of the land, granted this right to the U.S. President.

On this level the new law does not contribute anything new legally, but seems to question the validity of the already established practice of the United States in this area, since ostensibly it only now assigns the President this right and, consequently, everything that existed prior to this is liable to possible revision. Judging from the overall trend of the new American laws examined in this article, the revision of this practice would apparently be aimed at creating additional possibilities, which are differentiated subject to the foreign policy stance of one country or another and its relations with the United States, for "flexible diplomatic reaction," that is, at making stricter the legal conditions of the diplomatic representation of this country.

In the area of diplomatic immunity the Vienna Convention, as we have already written, became a U.S. federal law beginning in December 1972, therefore its "modernization" (in order to bring it in line with the legal procedure of the United States, about which Justice Department representative

B. Ristau spoke) is not entitled. On the contrary, in conformity with the principle of *pacta sunt servanda* domestic legislation (including legal procedure) should be brought in line with international law and the specific international treaty.

Here it is appropriate to recall the approach to this question, which was formulated--with the participation of the United States itself--in the Final Act of the Conference on Security and Cooperation in Europe. There the demand that the states establish laws and administrative regulations in conformity with their legal obligations according to international law, take into account and execute properly the provisions of the Final Act, is supported in particular. In other words, the Final Act embodied the idea of the proper relationship of international and domestic law, which rules out the violation by the state of international law with reference to its domestic laws.

It is typical that, in commenting on the latter of the mentioned laws, Rebecca (Lit) wrote in THE WASHINGTON POST on 18 May 1977 that this law "makes it possible to act /primarily/ (in boldface) (stressed by us--authors) in accordance with the provision of the 1961 Vienna Convention." The tasks consists in acting not "primarily," but /completely/ (in bold-face) in conformity with the Vienna Convention, which serves as the main concern of numerous missions accredited in the United States and should be the main concern of the State Department. U.S. practice is not giving us this.

On the basis of what was said above, it is impossible to agree with E. Dobelle, Chief of Protocol of the U.S. Department of State, who in his statement in Congress declared that this law will "supplement" the Vienna Convention with the view of applying it "thoroughly and effectively" in the country.

Back in 1916 U.S. Secretary of State Lansing stated: "If domestic laws go beyond the requirements of international law, I assume that a foreign government has no grounds to protest against their violation until these violation affect international law and while the domestic laws are applied impartially." In this case the domestic legislation directly affects international law, by restricting it, while the practice of applying the laws raises the question of the violation of international law in these cases.

In an article published in the NEW YORK LAW JOURNAL, an attempt was made to substantiate the limitation of diplomatic immunity by references to the abuse of their immunity on the part of certain specific individuals from the diplomatic corps in Washington. However, even from the cases which are cited in the indicated article¹¹ it is evident that the new law in the United States undermines the very principle of diplomatic immunity as it has been formed in international law. As we have already written, the new law is in conflict with the 1961 Vienna Convention, it does not promote the fulfillment of U.S. obligations in accordance with the convention and creates serious difficulties for the performance by diplomatic

representations of their functions in the United States, which cannot but harm the relations of this state with other countries, it is in conflict with the policy of detente and the development of mutually advantageous extensive relations between states.

Thus, the new American legislation on diplomatic relations is objectively aimed at complicating the relations between states and at undermining the principles of international legal order. Acquaintance with the 1976 law on immunities of the foreign state and the 1978 law on diplomatic relations shows that the conscious or unconscious separation of lawmaking in the United States from the vital demands of modern reality is leading to legal nonsense from the formal standpoint, which was pointed out at the beginning of our article, and from a political and legal standpoint inevitably entails legal nihilism, the violation of the main principles of modern international law, and above all such principles of it as *pacta sunt servanda*, the respect of the sovereignty of states, equality of rights, noninterference in their domestic affairs, and in the broad sense to attempts to affirm in international relations and international law arbitrariness, which is a threat to the legal order existing in the world.

FOOTNOTES

1. "Laws of the 94th Congress," 2d Session, P. L. 94-538; 28 USC 1330, 1332, 1602-1611, 1391, 1441.
2. "Department of State File," No P.77 0014-208.
3. Moreover, this paragraph of the law additional asserts that no agency or institution of a foreign state, which is engaged in commercial activity in the United States, enjoys immunity from attachment in order to ensure compulsory execution, or from compulsory execution owing to the decision of any American federal court or state court,
if this agency or institution has waived immunity or such a waiver is implied;
if the court decision concerns an action, with respect to which this agency or institution does not enjoy immunity owing to a number of paragraphs of § 1605 of the 1976 law, in particular,
when the action is based on commercial activity which is carried out by the foreign state in the United States, or when it is based on an act which occurred in the United States in connection with the commercial activity of the foreign state, wherever it was carried out; or on an act which occurred within the United States in connection with the commercial activity of the foreign state, wherever it was carried out, if this act entailed direct consequences on U.S. territory;

when the subject of the action are the laws with respect to property which has been seized in violation of international law, or such property which is located in the United States, or property received in exchange for that property, and which is located in the United States in connection with the commercial activity of the foreign state in the United States; or such property if it belongs to another agency or institution of the foreign state, which is engaged in commercial activity in the United States;

when the subject of the action is the money due from the foreign state to compensate for damage which has taken the form of the causation of injuries or death, or harm, or loss of the property of a natural person, which have come about in the United States as a result of an act or omission causing pain, which was committed by the foreign state, or by any of its officials, or by an employee during the performance by him of his functions or duties, with the exception of:

- A) any action, which is based on the execution or fulfillment, or the impossibility of the execution or fulfillment of the functions which permit the acts at one's own discretion, regardless of whether there were obstacles to discretionary acts;
- B) an action which stems from a careless court inquiry, the violation of legal procedure, slander, unjust representation, deception or the violation of contractual laws.

The law, moreover, completely denies the immunity of the foreign state in matters concerning commercial sailing.

Some types of property of foreign states, in accordance with § 1611 of the 1976 law, enjoy immunity from compulsory execution, namely: the property of organizations which have immunity in accordance with the U.S. law on immunities of international organizations (see 22 USC 288), as well as the property of the central state bank or other currency institution of the foreign state, which is deposited on account in the name of this bank or institution; property which is used for military activity and which has a "military nature" and is under the control of "military authorities or the defense department" (see § 1611 of the 1976 law, 22 USC 1611 (c) (d)).

4. See § 1610 of the 1976 law, paragraph (a) (I), 28 USC 1610.
5. See 28 USC 1603.
6. Ibid.
7. D. Karlen, "Amerikanskiye sudy: sistema i personal" /The American Courts: The System and Personnel/, Moscow, 1972, pp 44-46.
8. 28 USC 1609.

9. As an example it is possible to cite the armed attack on USSR Embassy staff member S. V. Stepanov in Washington, who died on 24 October 1976 in a hospital from a serious wound. Although the criminals were convicted, the U.S. State Department refused to pay any material compensation to the family of S. V. Stepanov, in conformity with the provisions of liability in international law. The people who shot at the USSR Permanent Representation to the United Nations (in 1971 and 1975), were not punished, and so on.

The diplomats of many states are subject in the United States to insults, their lives are often threatened by danger on the part of extremists, but this often happens with the connivance of official authorities. The second secretary of the Ghana Embassy in Washington, (Sekiy), was literally thrown from a room of a voting precinct in one city in Georgia on election day (8 November 1960), although this diplomat had a personal invitation from D. Eisenhower, who suggested he visit any part of the country on that day. In 1961 Chad Ambassador Malick Sow, while traveling from New York to Washington by car, was subject several times to gross insults in restaurants. Diplomatic representative of Ghana Fitzjohn had to present to a waitress in Maryland his credentials, which he shortly had to deliver, but, in spite of this, he was not allowed to dine because he was "black skinned." In 1964 a group of racists attacked (near the mayor's residence in New York) the permanent representative of Mauritania to the United Nations (Yusuf Geye). American journalist M. Higgins wrote that in the United States the life of diplomats from the developing countries is a "complete nightmare. When they want to rent an apartment, it turns out that it is already occupied. At night the tires of their cars are slashed, white taxi drivers pass them by, without heeding their request to stop," and so forth. In 1962 a certain landlord named (Howley) instituted proceedings against UN Secretary General U Thant, attempting to exact \$1,204 a month for the apartment rented by him instead of the \$400 due. The court in essence did not take any steps to protect U Thant from the persistent demands of (Howley). The latter also demanded that he be paid \$60,000 for the furniture ostensibly ruined by U Thant's kitten.... The true reason for many such cases is open or latent racism.

10. See, in particular, the opinion of Judge Gray on the Paquette Habana case: "International law is a part of our law, and it should be affirmed and applied by the legal institutions which have the corresponding jurisdiction every time that questions involving international law arrive by proper channels for their resolution. For this in the absence of a treaty, as well as the appropriate act of the executive or the legislature or a court ruling it is necessary to turn to the customs and habits of civilized nations" ((Ch. Hide), "Mezhdunarodnoye pravo" [International Law], Vol 1, Moscow, 1950, p 79).

11. NEW YORK LAW JOURNAL, 7-8 February 1978.

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THE STRUGGLE TO MAINTAIN THE CANADIAN CONFEDERATION: LOOKING FOR A COMPROMISE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 54-65

Article by V. Ye. Shilo

Text Canada of the 1970's is experiencing a sharp aggravation of the contradictions in the relations between the federal government and the governments of the provinces. In November 1976, as a result of the elections in Quebec Province (second in importance in the country), there came into power the representatives of the Parti Quebecois, which had openly proclaimed as its ultimate goal the secession of this province and the creation there of an independent state. For the first time in the more than century-long history of Canada as an independent state the power in one of its provinces was in the hands of a separatist party, which created a real threat to the very existence of the Canadian confederation as a unified whole.¹

In spite of the significance of the victory of the separatist party in the elections in Quebec, it is much more important that this event served as a kind of catalyst for the sharp aggravation of a set of contradictions which up to the given moment had ripened latently within the confederation. Whereas earlier the federal government had been able with a greater or lesser degree of success to overcome or smooth out the differences with the governments of the provinces, after the separatist government came into office in Quebec this task was complicated considerably. By using the direct threat of the secession of Quebec, a number of other Canadian provinces, which are experiencing an economic upswing (above all British Columbia and Alberta), are striving to obtain significant concessions from Ottawa. Back in the early 1970's the well-known Canadian economist C. Gonick stressed that "the demands of Quebec on the increase of powers are being used by the developed provinces as a lever to wrest from the hands of the federal government more and more power."²

The intensification of the contradictions in the system of Canadian federalism in the 1970's, which spread not only to the relations of the government of the country with the French-speaking province of Quebec, but also to its

relations with the English-speaking provinces, entitles us to speak about an overall increase of the crisis phenomena in the Canadian confederation.

Along with the confrontation between the French Canadian and Anglo-Canadian bourgeoisie, which has already become traditional, the contradictions between the various financial and industrial groups in English-speaking Canada itself are being aggravated. First of all this pertains to the conflicts of the interests of the monopoly capital of the center of the country (Ontario, Quebec) with the young bourgeoisie of the west (primarily the provinces of British Columbia and Alberta), which is rapidly consolidating its economic positions within the confederation; the latter is relying on the support of influential American monopolies, which control the leading sectors of industrial production in this region.

Serving as a distinctive feature of Canada--as compared with a number of other bourgeois federations--is the considerably higher degree of decentralization of its governmental structure. This is explained by the extensive display of centrifugal trends, which make a deep imprint in the nature of the relations between the central government and the provinces. A number of internal and external factors are at the basis of the disintegrational processes in the Canadian confederation.

The breakup of the regional structure of the national economic complex, which has occurred in recent decades in Canada, is the objective reason for the aggravation of the indicated contradictions. This breakup was caused by the economic integration of Canada with the United States, which developed rapidly in the postwar period, and consisted in the reorientation in the meridian direction (North-South) of the economic ties, which had formed earlier in the country and were characterized by the predominance of the latitudinal direction. In the end this promoted economic disintegration within the confederation, which serves now as one of the main reasons for the undermining of the national unity and the shattering of the foundations of Canadian federalism.

The split in the economy of the country was accompanied by the intensification of the fragmentation in the political field, which took the form of the strengthening of the positions of the provinces at the expense of the weakening of the power of the federal government. Ottawa was turned more and more into "a power alien to the needs of development" of the provinces.³

The broad interpretation of the Constitution of Canada (the British North American Act) in favor of the provinces, which is contained in a number of rulings of the Canadian Supreme Court and the legal committee of the Privy Council of Great Britain⁴ of past years, consolidated the autonomy of the provinces in the area of constitutional law.⁵

The nonresolution of the national question further aggravated the conflicts between Ottawa and the French-speaking province of Quebec.

In recent years the greatest disagreements in the sphere of the relations between the federal government and the provinces have been caused by such questions as the revision of the constitution, the division of revenues between the center and the provinces in the use of natural resources, the regulation of immigration and the use of means of communications. The problem of participation of the provinces in the country's foreign policy has been aggravated again. There are also serious differences in the sphere of interregional relations. Thus, the western provinces of Canada are demanding the quickest possible revision of the system of transportation rates, which operate above all in the interests of the central region of the country and prevent the more versatile development of the economy of the indicated regions. The Atlantic provinces, as the most depressed region with the highest unemployment level, are insisting on a steady increase of federal subsidies which are aimed at improving the economic structure of this region, and so on.

Thus, the federal government is faced with a complicated task: to make the necessary changes in the structure of the confederation, without which it is impossible to maintain its unity.

The coming to power of the separatist party in Quebec required the federal administration headed by P. Trudeau to take decisive steps and to advance a precise and sound program of actions in the area of the relations between Ottawa and the provinces.

But P. Trudeau did not attempt to speed up the course of events. Since 1968, when he became head of the federal government, the Prime Minister of Canada has more than once used the mechanism of negotiations on the question of amending the country's constitution in order to resolve the acute differences in the mentioned area. During the negotiations the federal government was able to take advantage of the discrepancy, and at times the contrast of the positions of the individual provinces, isolating extreme points of view and maintaining thereby the necessary balance in the correlation of the interests of all the provinces. But this promoted to a certain extent the strengthening of the centralizing principle in the confederation and the positions of the federal government. At the same time the negotiations served as a "valve" which released excess "steam" when the atmosphere in this relations became overheated.

In January 1977, in a letter sent to the heads of the governments of all the provinces, P. Trudeau proposed to renew the negotiations with them on the so-called repatriation of the constitution (the granting of complete jurisdiction to Canada in constitutional questions and the repeal of the right of the British Parliament to control the adoption of amendments to it),⁶ as well as on elaborating a definite formula for adopting amendments to the Canadian Constitution, postponing for the time the discussion of the problem of distributing powers among the federal and provincial governments. But this time the "valve" did not work. On 27 January 1977 R. Levesque stated that Quebec does not object to negotiations on constitutional issues, but sees no urgent need for this. As a result P. Trudeau had no alternative

out to admit in early February 1977 that the constitutional question was no longer "of primary importance" for the federal government and that he personally also did not want to waste time and efforts to solve it.

While R. Levesque persistently preached the idea of holding a referendum on the secession of Quebec Province, P. Trudeau preferred to refrain temporarily from adopting any countermeasures. He even, it seems, yielded the initiative in the question about the future of the country to the head of the Quebec government. However, this was a deceptive impression.

In the meantime the debate about the future of the confederation developed more and more actively. The majority of the participants in the debate came to the uncomfotting conclusion that the secession of the French-speaking province would have catastrophic consequences for the country. Thus, former Minister of Finance in the Liberal Party Government W. Gordon, an influential Canadian political figure, declared in February 1977 that in that case the unified Canadian state would cease to exist. The secession of Quebec "would mean an end to Canada, if not immediately, then in the next 10-20 years"⁷ as a result of the gradual, but inevitable absorption of the dissociated provinces of the country by the United States of America.

At the same time the course of the debate showed in all obviousness that, in the opinion of all its participants, the maintenance of the former situation in the confederation was impossible. All the provinces were against the secession of Quebec, but the demands of R. Levesque on the federal government, beginning with the redistribution of tax receipts and ending with the argument about jurisdiction in the sphere of education, found understanding and support among the other provinces.

The important problems for the country were temporarily relegated to the background by the threat of secession of Quebec, but because of this they did not lose their urgency, while the profound crisis in the relations within the federation merely emphasized the need to solve them as quickly as possible. The premiers of the provinces, while participating in the debate about the prospects of development of the confederation, repeatedly dwelt on these questions. For example, Alberta Premier P. Lougheed in February 1977 expressed the fear that the federal government, which was absorbed by solving the problem of Quebec, would not devote proper attention to taking into account the interests of the western provinces, and this would inevitably lead to "an increase of dissatisfaction" with Ottawa.⁸ The sphere of interests of the western provinces, in his opinion, includes above all the change in the narrow raw material specialization of the economy of the region, the revision of the system of transportation rates and the increase of the political influence of the indicated provinces in conformity with their economic positions in the confederation, that is, the guarantee of their ability to have a more effective influence on decision making by the federal government. The heads of the Atlantic provinces, whose economy is in a state of chronic depression, are worried that the secession of Quebec threatens them, first, with the loss of an influential ally in the talks

with the federal government and, consequently, is also sharply decreasing the opportunities for them to pressure Ottawa politically,⁹ second, with the prospect of inevitable absorption on the part of the United States, which could lead only to an even greater deterioration of the economic situation in this region.

During the debate it was stressed that the implementation of reforms in the system of relations between the central and provincial governments could have a restraining influence on Quebec in its aspiration to achieve secession. In the opinion of W. Gordon, who has already been mentioned above, "the making of changes... in the current system of relations between the federation and the provinces, which would grant Quebec a greater degree of independence without at the same time weakening the federal government and without the collapse of the country," is quite possible.¹⁰ However, the difficulty is that in Canada there was no unanimity about specifically what changes should be made in the mechanism of the confederation. Prominent Liberal Senator M. Lamontaine stressed bluntly that there is no agreement with respect to "what to aim at and what the real content of federalism is."¹¹

In his statements Prime Minister P. Trudeau himself has repeatedly admitted the need for serious reforms,¹² has expressed his readiness to agree to significant concessions to the provinces, particularly in the matter of the distribution of powers.¹³ But in so doing the Canadian ruling circles had to take into account that "decentralization" could have a fatal effect on the strength of the ties in the confederation, and, consequently, it is necessary to approach the question of changes in the distribution of powers very carefully, on the basis of the need "to maintain a strong vital federal government."¹⁴

Finally, in the middle of the summer of 1977 the federal government took the first practical step--to counterbalance the activity of the Quebec government on preparing for a referendum on political independence. In July, on the suggestion of P. Trudeau, a special working group was set up, which received the name of the (Committee for National Unity). Two cochairmen were appointed to head the committee--J.-L. Pepin, former chairman of the (Council on Anti-inflation Policy), and former Ontario Premier D. Robarts; both are known in political circles for their profederalist views. The committee was made up of 50 people representing all the provinces of the country. It was allocated a budget of 3 million dollars. The tasks of the committee included "to support, inspire and elucidate extensively the efforts of all strata of the public and various voluntary organizations in the matter of defending and propagating the ideas of a united Canada; to generalize, coordinate and promote the implementation of various initiatives and points of views of the committee members, which pertain to the problem of maintaining the unity of the country; to give recommendations to the federal government."¹⁵ The activity of the working group was intended for a five-year period, which gives the federal government an opportunity to maneuver and a free hand in making decisions in the immediate years to come.

In the autumn of 1977 the tactic chosen by the government began to gradually be outlined. On the one hand, P. Trudeau had to neutralize the active efforts of the Levesque government on preparing favorable ground for holding a referendum in the province. To a great extent the founded (Committee for National Unity) was to have promoted this. On the other hand, the Canadian Prime Minister attempted to show all the provinces his readiness to agree to concessions. For this purpose he chose one of the controversial problems in the relations with the provinces (and namely the sphere of immigration policy), talks on which had begun between the ministers of the central government and Quebec. During these talks (they will be examined in more detail below) an attempt was made to show that even under the conditions of the existing confederation Quebec has "quite extensive constitutional powers" to ensure its economic and political development and to maintain the cultural distinctiveness of the French-Canadian population. At the same time talks were also held on other questions which had caused friction in the relations between the federal and provincial governments. But, as the subsequent course of events showed, it was the talks on questions of immigration policy which were most closely connected with the problem of maintaining the unity of the confederation.

P. Trudeau attached great importance to the solution of the current crisis in the confederation. This is attested by the fact that as a result of his reorganization of the cabinet in September 1977 the new post of minister of federal-provincial relations was created (previously these questions were under the immediate jurisdiction of the prime minister). It was expected that the creation of the new ministerial post would help to achieve a qualitative shift in this question. It is not by chance that M. Lalonde, one of the closest people to P. Trudeau, who prior to this held the position of minister of national health and welfare, was appointed to this post.¹⁶

The new post of minister for questions of the relations between the federation and the provinces augmented the number of governmental institutions, which were directly involved in attempts to solve the mentioned group of questions: in the office of the ministers there is a secretariat for the indicated questions, in the department of the Canadian Prime Minister there is a special adviser for constitutional questions, in the Privy Council there is a department for federal-provincial relations, while the federal government has a corresponding permanent coordinating committee.

In the speech of the head of government at the opening of the regular session of the federal Parliament on 19 October 1977 the intention of the cabinet of P. Trudeau to make some changes in the constitution of the country and in the structure of the federal Parliament was stated unequivocally. On the same day the Canadian Prime Minister, speaking before the House of Commons, advanced the idea of holding a national referendum on the question of the political independence of Quebec under the aegis of the federal government. This proposal of P. Trudeau was greeted coolly not only by R. Levesque, who stated that "the future of the people of Quebec should be decided by nobody except the Quebec people themselves,"¹⁷ but also by the majority of the supporters of the Canadian Prime Minister himself.

This proposal of P. Trudeau expressed the reluctance of the ruling circles to recognize and consolidate in the constitution the binational nature of the Canadian state and, consequently, to ensure the complete equality of French Canadians within the confederation, which was stressed in a statement of the Central Committee of the Communist Party of Canada.¹⁸

The unanimous opposition to the idea of a national referendum forced the Canadian Government to immediately make adjustments in its position. Two days after the mentioned speech in Parliament P. Trudeau stated at a press conference that he was not ruling out the possibility of holding a referendum under the aegis of the federal government in the province of Quebec alone, but, he added, it had not yet been decided whether such a referendum would be held. Everything seems to indicate that the Canadian Prime Minister at that moment, as before, preferred not to reveal his intentions entirely.

During the round of bilateral talks of P. Trudeau with the heads of the provincial governments, which was held from October through December 1977, the ways of maintaining the integrity of Canada, the possibilities of making constitutional amendments and convening for this purpose a special conference with the participation of representatives of Ottawa and the provinces were discussed in particular. The course of the talks showed quite clearly that the positions of the federal government and the Quebec government in the constitutional area remained diametrically opposed.¹⁹

The majority of the heads of government of the remaining provinces were in favor of the quickest possible revision of the constitution. But, at the same time, it was stressed that such a revision should take into account not only the threat of the secession of Quebec, but also other conflict situations. The above-mentioned G. Regan emphasized: "We should admit that the constitution operates ineffectively [also] in spheres having nothing to do with Quebec."²⁰

The expiration in the summer of 1979 of the term of office of the present federal Parliament forced Ottawa to speed up the elaboration of proposals on making changes in the country's constitution, as well as in the structure of Parliament and the Supreme Court. Some of them were introduced for examination by the House of Commons of the federal Parliament on 20 July 1978 and called for, in particular, the adoption of a Charter of Fundamental Civil Rights and Freedoms, the "repatriation" of the country's constitution, the legislative consolidation of the procedure of holding conferences of the leaders of the central government and the provinces at the highest level, which are held no less frequently than once a year, the increase of the composition of the Canadian Supreme Court for 9 to 11 members and mandatory consultations with the provinces when appointing members to this court and, finally, the replacement of the upper house of the federal Parliament, the Senate, by a House of the Federation.

The last two proposals and especially the plans on replacing the Senate by a House of the Federation attracted the greatest attention in Canadian

political circles. It was proposed that there would be 118 seats in it (there are 104 seats in the present Senate), and the western provinces would receive an additional 12 seats in the house. This, no doubt, would be a concession on the part of Ottawa to the demands of the governments of British Columbia and Alberta on the "adequate reflection" in the political sphere of their increased economic role. The federal government and the provinces were to appoint an equal number of members to the House of the Federation--58 each.²¹ It was planned to complete the discussion of the proposals made by the federal government and to make the corresponding constitutional changes by 1 July 1979.

However, back in August 1978 at an interprovince conference at the highest level the premiers of the provinces unanimously rejected the proposals of the federal government in the present form. Moreover, they stressed that the question of the division of powers, the discussion of which the government proposed to postpone to a later date, should become the main theme of the talks of the provinces with Ottawa in the constitutional sphere.

The federal government was in a difficult position. The extremely unsatisfactory state of the country's economy and the sharp decline in the popularity of the Prime Minister himself—all this under the conditions of the approaching elections required Ottawa to achieve real results in the constitutional talks with the provinces. Taking into account the formed situation, at a conference of the heads of government of the provinces and Ottawa in late October and early November 1978, which was devoted to the constitutional problems of Canada, the Trudeau administration was forced to agree to substantial concessions. Consent was given to discuss with the provinces the question of the division of powers and, in particular, such important aspects of it as the granting to the provinces of the right to indirect taxation, the distribution of powers in the use of means of communications, as well as in control and taxation in the sphere of natural resources, the consolidation in the Canadian Constitution of a basic provision on assisting the backward regions in economic development. At the same time the federal government made the possible concessions in the division of powers conditional upon the achievement of an agreement between the provinces on the formula for amending the country's constitution.

Although all the provinces to one extent or another are discontent with the policy of the federal government, Quebec continues to hold the most irreconcilable position with respect to Ottawa. Thus, R. Levesque, the premier of this province, during the conference of leaders of the provinces and Ottawa, stated that he would come out against any formula for amending the constitution until Quebec received "significantly broader legislative powers."²² Thus, the government of this province is not repudiating its aspiration to achieve a "special status" within the confederation as compared with the others.

As was already indicated above, in addition to direct steps to prevent the holding of the referendum proposed by the government of R. Levesque (or, at least, to guarantee during its holding a negative attitude of the Quebec

people toward the idea of political independence of this province), the Trudeau administration also used indirect methods of pressure. Among them, first of all, is the use of talks on a number of controversial problems in the sphere of the relations between the center and the provinces as a type of demonstration of the readiness of the federal government to agree to concessions to both the government of Quebec and the governments of the other provinces, promoting thereby a settlement of the crisis in the confederation.

One of these controversial questions, on which talks were conducted most actively between the representatives of the federal and Quebec governments, is the regulation of immigration. Quebec has repeatedly made demands on the expansion of its rights in this area.

A three-year agreement, in conformity with which two independent systems for the selection of immigrants--a federal and a Quebec system--will operate at the same time, was signed on 20 February 1978 between the federal government and the government of Quebec. Foreigners applying for entry into the province will receive this right even when this permission runs contrary to the regulations on the selection of immigrants, which are in effect for all of Canada. The agreement thereby establishes the priority of the right of Quebec in this area, "excluding cases which concern the interests of national security and health."²³ At a press conference held after the signing of the agreement Canadian Minister of Manpower and Immigration J. Callen and Minister of Federal-Provincial Relations M. Lalonde noted that it confirms that "the federal system can be reorganized with allowance for reasonable changes."²⁴

On the same day an agreement on this question was signed with Nova Scotia, and in August with Prince Edward Island, but they granted the provinces only an opportunity for more extensive consultations with the center in solving questions of immigration. The conclusion of a similar agreement with the province of Saskatchewan is planned in the immediate future. But by means of this the federal government is merely striving to conceal the fact of the necessitated granting of substantial concessions to Quebec as compared with the other provinces.

Along with the solution of the problem of the division of powers in the area of immigration the federal government also attempted to achieve progress in the question of means of communications, in order to show its aspiration to settle the crisis in the confederation by means of talks of the interested parties. In March 1977 the Trudeau administration submitted for consideration by Parliament a new bill on television communications, which called for the granting to provinces of more extensive, although strictly limited rights in this sphere, in particular the opportunity to appoint temporary members to the Canadian Radio-Television and Telecommunications Commission (CRTC), and these candidates should receive the approval of the federal government. The bill also called for the drafting of a general agreement on the division of powers between Ottawa and the provinces on the regulation of activity in this area.

However, so far Ottawa has not been able to achieve appreciable progress in this direction. True, in February 1978 an agreement on control over cable television equipment was signed between the federal government and the province of Manitoba, but other provinces (Ontario, Quebec, Saskatchewan) are insisting on the transfer to them of all the powers on regulating cable television.²⁵

The aspiration of the federal government to demonstrate its willingness to agree to concessions to the provinces, which in turn should refute the popular argument among the heads of the provincial governments about the aspiration of the federal government merely to maintain the status quo, serves as a common trait of these talks, which are connected with questions of immigration and means of communications. But the negligible results which have been achieved at this stage, as well as the very nature of the dragged out talks, attest to the complexity of the position of the federal government. Faced by the persistent demands of the provinces on concessions in the division of powers, the Trudeau administration is concentrating all efforts for the sake of the utmost preservation of centralism in the confederation.

Observers believe that the agreements on questions of immigration, some concessions in the sphere of the regulation of means of communications and the proposals on changes in federal institutions (the Senate, the Supreme Court) will constitute the core of the election platform of the federal government on the threshold of the next national elections, and this platform will be based on the slogan of the protection of national unity.

The talks in the economic sphere in many ways also serve these goals. Thus, back in December 1976 at a meeting of P. Trudeau with the heads of the governments of the provinces an agreement was reached on the transfer to the latter of extensive financial powers in the area of education and health. During the past fiscal year alone the transfer to them of the right to dispose of funds in the amount of 9 billion dollars, which is 20 percent of the total amount of the federal expenditures and 25 percent of all the revenues of the provinces, was to have taken place.

The next round of the talks of Ottawa with the provinces on the highest level in the economic sphere was held in February 1978. These talks revealed the serious differences on a number of questions, and above all on the problem of the participation of the provinces in formulating Canadian foreign economic strategy. And this was not a coincidence.

Back in the summer of 1977 at the annual conference of the heads of the governments of the Canadian provinces their premiers raised the question about the desirability and need to enhance the role of the provinces in determining certain directions or others of the development of the trade relations of Canada and the United States. Behind this proposal are the interests of local monopolistic groups, which are directly connected with U.S. monopolies; the latter, for their own goals, are urging them to take more resolute steps to pursue an economic policy independent of Ottawa. This, no doubt, is strengthening the positions of monopoly capital of the

individual provinces and is leading to the intensification of the process of decentralization within the confederation. In this case the provinces have relied on the conclusions of a recent report of the permanent Senate committee on foreign policy affairs, which was devoted to Canadian-American relations. It indicated, in particular, the inadequate activeness of the federal government on involving the provinces in the process of formulating Canadian policy with respect to the United States.

Such a position of the Senate committee is not surprising. The Senate²⁶ serves as the spokesman of regional interests in the Canadian governmental system and often acts as the vehicle of centrifugal trends in the confederation.

The talks on economic questions in February 1978 showed that the conflicts between the federal government and the provinces in determining the role of the latter in the country's foreign economic policy are continuing to be aggravated. The representatives of provinces of British Columbia and Alberta openly expressed dissatisfaction with the fact that consultations were not held with them on the international trade negotiations held in Geneva within the framework of the Geneva Agreements on Tariffs and Trade. Alberta Premier P. Lougheed expressed the regret that his government had not been familiarized with the U.S. proposal of 20 January 1978 on the mutual reduction of the tariffs between the two countries for some types of goods. However, the provinces came up against the determined position of the federal government. During the debate Prime Minister P. Trudeau stated that only Ottawa can make a decision about "what stance Canada should take at the negotiations in Geneva on questions of international trade."²⁹ The problem of the participation of the provinces in the process of elaborating Canadian foreign economic and foreign policy strategy is again among the most acute ones in the relations within the federation 10 years after a serious clash in this area took place for the first time.

But whereas Ontario, British Columbia, Alberta and the other English-speaking provinces of Canada are showing an interest primarily in the sphere of foreign economic ties, seeing in them a means of solving the domestic problems, of moderating unemployment and inflation and of decreasing the expenditures in the nonproduction sphere (participation in foreign policy is not an end in itself for them), for Quebec it is not only and not so much this aspect of policy which plays the leading role.

In the strategy of the Parti Quebecois a special role is allotted to the sphere of foreign policy: the government of R. Levesque is advancing in this area as the primary task the establishment and expansion precisely of the political contacts with other states at the highest level. It is demanding that the federal government grant the province complete independence in international affairs, that is, that it agree to its sovereign status in international relations. Precisely this raising of the question gave impetus to the current aggravation of the relations within the federation in the area of foreign policy. On the one hand, the leaders of Quebec believe that such independence should lead to an increase of the influence and

authority of the province on the international arena; on the other hand, and this is the main thing, the development and consolidation of its foreign ties are called upon to strengthen the position of Quebec within the confederation and, consequently, to promote as a result the achievement of political independence by the province.

At the very beginning of his activity as premier, R. Levesque undertook active actions in the area of foreign policy. However, so far the official visit of the head of government of Quebec to France in November 1977 remains the most significant of them. Great importance was ascribed to this trip both on the level of the long-term prospects of the bilateral relations of Quebec and France and as a means of popularizing and showing support for the idea of the political independence of the French-speaking province. R. Levesque was given a very warm reception and was afforded an opportunity to speak to the members of the National Assembly of France--an honor which even the highest ranking guests rarely receive (taking into account that R. Levesque heads not a state, but only a province, even though it has far-reaching historical ties with France, this gesture assumed great importance). The Premier of Quebec was awarded the highest decoration of France--the Order of the Legion of Honor, and an order of the same degree which the heads of sovereign governments receive. During the numerous meetings and talks the French side openly expressed sympathy and a willingness to support the aspiration of the government of Quebec to achieve political independence. Thus, French Prime Minister R. Barre declared significantly: "We (France--V. Sh.) cannot remain indifferent to their (the residents of Quebec--V. Sh.) fate, and we are ready to give them support...no matter what path they choose."²⁸ The parties came to an agreement on regular annual meetings of the heads of the governments of Quebec and France. But R. Levesque achieved little in the specific areas of economic and cultural co-operation with France. An understanding was reached only on exploring by joint forces for deposits of copper-nickel ores in Quebec, on expanding contacts in the area of cable television and the "considerable increase" of the budget of the program of exchange of people, which was reached back in 1967.

Taking into account the far-reaching plans of the leadership of Quebec in the sphere of interstate relations, P. Trudeau has taken active steps to neutralize the actions of R. Levesque. First of all the emphasis has been placed on developing relations with French-speaking countries. For this purpose on 25 October 1977, in a communique published by the department of the Prime Minister of Canada, the idea was officially advanced of creating an association of French-speaking countries, which had been discussed prior to this in letters between P. Trudeau and Senegalese President L. Senghor. J.-P. (Goyer), an adviser on affairs of French-speaking countries of the Canadian Department of External Affairs, in one of his statements rejected the assumption about the intention of federal authorities to exclude Quebec from the sphere of foreign policy cooperation and, in particular, from the plans to create this association, although at the same time he confirmed that the planned association would deal with "international problems which are in the jurisdiction of the federal government."²⁹ The assumption has been expressed that the mentioned association will replace the

(Association for Cultural and Technical Cooperation of French-Speaking Countries), which is now in operation and in which Quebec has the independent status of a "participating state."

The government of R. Levesque in turn made the participation of Quebec in the association conditional upon the granting of the status of full member to this province.

The Canadian confederation is experiencing rough and complicated times. The steps taken by the federal government to reach a compromise with Quebec and thereby to preserve the unity of the confederation have not yielded significant results. The western provinces are expressing dissatisfaction with the drawn out nature of the political crisis in the federation, that, in spite of the importance of the problem of preserving the integrity of the country, they are interested in the quickest possible solution of the economic problems which are more vital to them. The Atlantic provinces, on the contrary, are expressing acute anxiety about the continuing threat of the breakup of the confederation and are appealing to the federal authorities to make the necessary structural changes in the governmental system of Canada. Finally, Quebec is continuing to insist on its own "special status" in the confederation, demanding extensive political independence.

In the forthcoming national elections the problem of maintaining unity and making changes in the confederation will hold a central place. Apparently, the federal government will be forced to step up the attempts to achieve a settlement of the crisis on the path to compromise and mutual concessions to the provinces, as the talks being held on questions of immigration, means of communications, constitutions problems and so on attest. The future will show how extensive a scope these changes will assume and whether they will affect the very foundations of the Canadian confederation.

FOOTNOTES

1. Immediately after coming into office R. Levesque, the head of the government of Quebec, declared his intention to hold a referendum on the question of its political independence. Speaking before representatives of American business circles in New York on 25 January 1977 during an official visit to the United States, he stated his conviction that the granting of independence to Quebec was "inevitable. The referendum was called upon to become the first practical step in this direction.
2. "Close to the 49th Parallel, Etc. The Americanization of Canada," edited by Y. Lumsden, Toronto, 1970, p 71.
3. "Continental Community? Independence and Integration in North America," edited by A. Axline et al., Toronto, 1974, p 212.
4. Prior to 1949 the legal committee of the Privy Council of Great Britain served as the highest instance of appeals of Canada.

5. See for more detail "Canadian Federalism: Myth or Reality?" edited by J. Meekison, Toronto, 1971, pp 143-253; H. Lesson, W. Vanderelst, "External Affairs and Canadian Federalism: The History of a Dilemma," Toronto, 1975, pp 61-83; H. Keenleyside, "The Growth of Canadian Policies in External Affairs," Durham, 1960, pp 81-98.

6. To this day the role of the Constitution of Canada has been played by the British North America Act, which was passed in 1867 by the Parliament of Great Britain. A change of the most important provisions of the mentioned act (in particular, those determining the jurisdiction of the provinces of Canada) requires the approval of the British Parliament. The government of P. Trudeau is for the abolition of such an anachronism. But its steps in this direction are being checked by the positions of the provinces (above all Quebec), which have raised the question in the following manner: first it is necessary to reach an agreement within the framework of the federation on the formula for amending the Canadian Constitution, and only then to raise before England the question of finally abolishing its control over the domestic legislation of this country. The position of Quebec is explained by its aspiration to provide itself with a "special status" within the confederation (see for more detail the commentary of N. S. Bantsekin in SSSA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 11, 1977).

7. THE TORONTO STAR, 14 February 1977.

8. THE TORONTO STAR, 2 February 1977.

9. The province of Quebec has 74 seats in the House of Commons of the federal Parliament, while the Atlantic provinces taken together have only 32 seats (CANADIAN NEWS FACTS, Vol II, No 11, p 1779).

10. THE TORONTO STAR, 2 February 1977.

11. THE TORONTO STAR, 9 April 1977.

12. Thus, during his official visit to the United States in February 1977, speaking at a joint session of both houses of Congress, P. Trudeau stressed that for the purpose of maintaining a united confederation "agreements will be reached, changes will be made" (THE TORONTO STAR, 22 February 1977).

13. In conformity with the British North America Act the joint jurisdiction of the federal and provincial governments is stipulated in a number of spheres (for example, the regulation of immigration, agriculture). At the same time their competence with respect to several other controversial questions is not clearly defined by the constitution of the country. The provinces are insisting on the expansion of their powers in these questions.

14. THE TORONTO STAR, 14 February 1977.

15. CANADA WEEKLY, 12 October 1977.

16. In November 1978 French Canadian M. Lalonde was replaced in this post by J. Reid, a native from English-speaking Canada. This step attested to the aspiration of the federal government of P. Trudeau to stem the clearly marked decline of his popularity in this part of the country.
17. CANADIAN NEWS FACTS, Vol II, No 19, p 1840.
18. COMMUNIST PARTY OF CANADA. CENTRAL COMMITTEE PRESS RELEASE, 20 October 1977.
19. Thus, after meeting with Nova Scotia Premier G. Regan, P. Trudeau declared unequivocally: "A fruitful dialog with R. Levesque on constitutional problems is impossible" (THE TORONTO STAR, 10 November 1977).
20. THE TORONTO STAR, 14 November 1977.
21. Ottawa will appoint two members--from the Yukon and the Northwest Territories.
22. THE GLOBE AND MAIL, 2 November 1978.
23. THE GLOBE AND MAIL, 21 February 1978.
24. Ibid.
25. The provinces are continuing to insist on their right to jurisdiction in the sphere of the use of cable television, in spite of the Canadian Supreme Court ruling of December 1977, in conformity with which these questions are within the competence of the federal government.
26. The members of the Senate are not elected, but are appointed by the Canadian Governor General upon the presentation of the Prime Minister of the federal government in conformity with the following quotas: Nova Scotia and New Brunswick--10 each, Newfoundland--6, Prince Edward Island--4, Ontario and Quebec--24 each, Manitoba, Saskatchewan, Alberta and British Columbia--6 each.
27. THE GLOBE AND MAIL, 15 February 1978.
28. THE GLOBE AND MAIL, 7 November 1978.
29. THE TORONTO STAR, 2 November 1977.

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THE CITY, THE FAMILY, THE FUTURE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 66-75

Article by I. V. Bestuzhev-Lada

[Text] Not long ago I was in New Orleans (Louisiana) on the invitation of the New Orleans International House of Trade, Mutual Understanding and Peace to deliver short special series of lectures on the problems of social forecasting at a number of universities of the city.

The International House is one of many institutions of this type, which exist in the large trade centers of the United States and other countries of the West and have as a goal to stimulate trade, scientific and cultural contacts between various countries. The New Orleans International House has gained well-known traditions of contacts with the Soviet people. In recent years it has received more than 10 Soviet trade, cultural and scientific delegations and has sent nearly the same number of American delegations to the Soviet Union. True, I was told that in the area of the social sciences this was the first contact. A sort of experiment.

I am mentioning all these details so that there would be no uncertainties with respect to the sources of my American impressions. Only with the courteous help and exceptional cordiality of the director of the International House, Paul (Fabry), his wife and assistant Angela (Fabry), his deputy Robert (Carr), Mrs R. (Carr), his assistant Mary (Fitzpatrick), other staff members of the house and their friends was it possible in a little more than a week--and with a full workday of the lecturer--to become acquainted with a quite large and diverse group of very interesting people, to talk with them at work and at home in a friendly, unofficial atmosphere, to become acquainted not simply with the sights, but also with the life and problems of a large American city, to receive detailed explanations of how these problems appear in the eyes of my American collocutors.

Before coming to New Orleans I spent a day in Washington as a guest of Edward Cornish, president of the American futurological scientific society World Future, and Mrs Cornish. And before flying home I spent another two

days in New York as the guest of Professor Saul Mendlovitz, director of the Institute of International Legal Order.

This was my second trip to the United States. In the late 1960's at the invitation of the Institute of International Legal Order I spent more than a week at one of the seminars of this institution in the town of East Northfield (Massachusetts).

Here I must add, perhaps, my presence at the 8th World Congress of Sociology (Toronto, Canada, 1974). In the questions which will be discussed Canada differs little from the United States.

And of course many years of acquaintance with American literature and literature on America lie behind me.

What has been said is called upon to define as accurately as possible the group and nature of the sources on which the impressions set forth in this article are based. This is not an analytical survey, not the recollections of a person who has lived in America for a long time and not the travel impressions of a tourist (be it even, as is customary to say, a scientific tourist). The author does not claim any of the three. By profession he is a historian, his narrow scientific specialty is the history of world social thought and, in particular, the history of prognostication. At present he happens to be dealing regularly in his scientific work with long-range social problems of the way of life of society, including of a global scale. Precisely these problems were discussed at the seminar in East Northfield and at the congress in Toronto. His lectures at the universities of New Orleans were devoted to these problems. Of course, precisely these problems interested him first of all when becoming acquainted with the cities of North America and in talks with his American colleagues.

There are innumerable long-range social problems--of both a global and a local scale. We will dwell on two or three of them, from which the most striking impressions from the trip to the United States were formed.

...This was obvious even upon first acquaintance with the United States, when I visited New York. One might have a different opinion about its endless main thoroughfares, the canyonlike side streets, the babels of skyscrapers, which have been described and sketched, praised and attacked thousands of times. One thing, in my opinion, is indisputable. Alongside the houses, which represent outstanding achievements of 19th and 20th century architecture and which are lost in a sea of "gray," inexpressive buildings, one comes across repulsive architectural "rags" of some partially abandoned or even completely abandoned slum dwellings.

At times you come across a house or even, speaking in our usual terms, an entire microregion which is an abomination of desolation of long standing: broken or boarded up windows, piles of garbage, reeking refuse. Just as if after the plague or after a war.

This produces an especially oppressive impression in the evening. You walk by ordinary, brightly lit houses. Suddenly you stop: there are the lifeless blanks of windows, not a light, not a soul. It is terrifying. It is reminiscent of the most ominous scenes of the death of civilizations in the novels of American science fiction writers. And all around a city of many millions lives its life as if nothing had happened.

Later I came across the same thing in Canadian Toronto. Only there the scale was less, and therefore the abandoned groups of houses do not produce such an apocalyptic impression as in New York.

This time it was in Washington. Going out early in the morning for a walk from the quite modern and comfortable hotel with the strange name of Best Western Executive House in the very center of the city, I went along fashionable Rhode Island Avenue, passed several just as modern buildings and suddenly found myself in the outskirts of Moscow of half a century ago. One- and two-story dilapidated little houses, little stores, workshops. So you would expect that a streetcar of long bygone times will appear from around the corner or a drayman will roar. But instead of them a Ford, very nearly a 1980 model, rolls by.

And then there is another row of abandoned houses. Again the abomination of desolation in the heart of an enormous city, two steps from the luxurious "buildings" of the center of the American capital.

The first reaction is indignation: who allowed such a disgraceful thing? Then and there you suddenly remember. In theory everything is understandable. Land in the center of the city is expensive, the prices for it are increasing from year to year, so that any slum is a kind of fossilized bank account with fantastic interest. The owners of abandoned housing are waiting until some company will pay a lot of money for a site to build a new hotel, a trade or administrative building. But reason does not put up with such a theory and especially with such a practice. As they say, everything is understandable, but all the same it is impossible to understand. This is the case when to understand means not to forgive.

New Orleans, where I had not time for observations and comparisons, at first created a similar impression. But precisely for this reason, on closer examination, the situation turned out more complicated than it first appeared.

New Orleans differs from Dante's hell, first, by the fact that it is climate-wise a very pleasant place to live and, second, by the fact that there are not seven circles, but four. The first is the almost completely intact French city of the 18th century (rather, the French-Spanish city: in the course of a century the city twice passed from one state to the other) with an area of approximately 1 km by 1.5 km or thereabouts, which consists of old two- and three-story houses with traditional Mediterranean courtyard patios and ambulatories (against the scorching sun) over the sidewalks on the narrow, but straight little streets which intersect the blocks like an even network of parallel lines. The second is the American city of the

19th century, of which, it is true, little now remains, since modern buildings are being built on it. The third is the former suburbs of the 19th and early 20th centuries, the beautiful small houses wallowing in greenery. The suburbs long ago became the city, but the expensiveness of land and villas is preventing its obliteration from the face of the earth for new construction, which, in my opinion, in this case is an obvious blessing, since modern architecture no longer creates anything like it. Finally, the fourth is the suburban regions of development of recent decades.

The axis of the French Quarter is Bourbon Street, which is famous throughout America and attracts tourists. Tens of little restaurants, including with jazz bands in the fashion of the turn of the century (the people of New Orleans consider their city to be the birthplace of jazz), tens of souvenir stores and tens of striptease joints with barkers of the most frightening pimp and gangster type figure as attractions. However, as my escorts explained, rue Bourbon, that is, Bourbon Street, is the safest street in the city: woe is he who takes it into his head to rob those walking along it in the open, scaring off the tourists who let themselves be robbed of much greater amounts by means of various "exotic" enticements.

The nearby little streets also have stores and restaurants. Beyond it are the old market, which operates to this day, the Mark Twainian tour steam-boats on the Mississippi and, a little further, the streetcar Desire, which has been placed on a permanent site and is well known to theatergoers of the entire world (this does prevent keeping the old streetcar line in operation--another object of pride of the city residents).

What else is there? Well, there is the old Negro in a black actor's tail-coat and clown's shoes, who tap-dances right in the street (in the evening Bourbon Street is closed to traffic) to the sounds of jazz from the open window of a restaurant, and nearby a hat thrown on the road, into which tourists throw pennies. And also the vendors' carts with various delights, which remind the tourists in the age of vending machines and self-service stores of the distant times of childhood.

That, I think, is everything....

But all around there is an entire 18th century city in its primordial form. The only one of its type. The only one in the United States, for which the 18th century is the same kind of antiquity as the 15th century is for Europe. French from the times of Louis XV and Spaniards from the times of Charles III walked along these streets, lived in these houses and ate at these restaurants. Here it was entirely possible to see real prototypes of (Manon Lesko) and the knight (de Grie), gentlemen of fortune of Captain Flint and many other heroes of those times....

Not long before the trip to the United States I visited two ancient cities of my own country--Suzdal' and Khiva, which UNESCO has taken guardianship over as museum cities. I do not know whether old New Orleans fits into this category (in my opinion, it does). But the fact that it is a priceless historical monument of a comparatively young country is quite unquestionable.

I walked along the ancient street again in the early morning, when the haunts of vice were already closed, while the stores had not yet opened. Except for the garbage collectors, there was not a soul. Not a tourist. I walked and visibly imagined in the minutest details how this might be, how this would look, if the monument of antiquity were given the attention which it undoubtedly deserves.

The skyscrapers of the business center rise along the other side of the main street of New Orleans, which was laid on the site of the former canal which separated at one time the French and American cities. Splendid examples of modern architecture are encountered among them. But here and there the remains of the slums of the ancient past are left. But a more determined struggle is being waged with the slums in the center of New Orleans than in New York or Washington. They are being completely demolished, and parking lots--of course, fee lots--are appearing on the temporarily vacant plots.

A demolished slum is nevertheless a step ahead as compared with an offensive looking slum. But God knows how significant a step. A dusty parking lot with the dilapidated faces of the beams of undamaged houses around it also is not pleasing to see. Moreover, other neighborhoods of the city look like it does after a terrible bombing. That is precisely how the cities of Europe, which suffered severely from bombings, looked after World War II, when the ruins had already been removed, but the reconstruction work had not yet begun.

It is clear that under capitalism urban development cannot be of a planned nature. But all the same, is it really impossible to do anything so that the yawning gaps would not be conspicuous, so that the valuable city land would be used more effectively?

I did not fail to share these thoughts with my New Orleans colleagues. The result was that during the first "window" between lectures I found myself in the architectural workshops of Robert (Tannen) and (Azeo Torre) (two of several in the city), where I was shown at least two dozen albums in which New Orleans of the year 2000 was represented.

No, I had suspected American architects of inaction in vain. The architects were at their best. They had drafted a general plan of the further development of the city in detail and in several versions, had thought about the optimization of flows of traffic and about pedestrians, about industry and housing construction, about preserving the monuments of antiquity and even about park "green architecture," with remarkable examples of which I had become acquainted back in East Northfield. The architects had done everything that they could. But, in spite of the well-known lines about the drabness of theory and the perpetual greenness of life, here the bright colors of theory contrasted sharply with the drabness of practice.

I leafed through the albums like an absorbing utopian novel. And they were in essence a utopian novel, since they hardly had more chances of complete realization than the City of Sun of Campanella or the Garden City of Howard.

The situation was truly tragic. The richest country with unimaginable financial resources (which, it is true, are being spent to a considerable extent for purposes which are directly opposed to constructive purposes), with still sufficient resources of raw materials and materials, with an abundance of skilled workers, with talented architects, with architectural plans which have been drafted in detail--this country, it so happens, waits for years until some corporation puts out several million dollars in order to erect a new "building" in the midst of old slums or on vacant lots in the center of the city. Another modern American tragedy....

The social processes of urbanization in the United States are complex enough and interesting enough to serve as the topic of a special scientific study. They have been covered comparatively well in sociological literature, including Soviet literature.¹ Without going into this aspect of the matter, I would like to note that the study of the trends and prospects of development of the American city, in our opinion, would be incomplete if we did not take into account the documentary data of architectural and urban development forecasting, planning and designing, which are as if the tree of problems and tree of goals of U.S. urbanization.

Of course, it must not be forgotten that these plans, projects and forecasts will be realized far from completely, that the life of a capitalist country will inevitably make quite gloomy changes in them. But all the same, paraphrasing the well-known aphorism of Oscar Wilde, I would risk asserting that it is not worth looking at a map of the United States of the last quarter of the 20th century, if the utopias of the best architectural minds of America are not depicted on it. For in these utopias there is a grain of the future which might not be utopian under a different social system.

At any rate, it seems to me, American and Soviet architects, especially theorists and designers in the field of architecture, would have something to share opinions on with more regular meetings than at present. In the Soviet Union general plans of the long-term development of large cities and the optimum preservation of museum cities have been drafted and are being implemented, new concepts of the optimum settlement for the future up to the 21st century inclusively are being elaborated. Of course, urban development under the conditions of socialism has significant peculiarities. But there are also many common themes for a dialog and a constructive discussion.

It would be hoped that such a dialog would not remain in the sphere of architectural utopias.

The social process of urbanization and the sociodemographic processes connected with them in the United States have taken on an exceptionally complicated and contradictory nature. In some respects it is possible to speak, in my opinion, about the most genuine cataclysms, upheavals and, perhaps, even a catastrophe on the national scale--a catastrophe, so to speak, within the family, which is invisible to the eye of an outsider, but which because of this is no less significant, since it affects directly or indirectly the fate of 150-200 million people--the overwhelming majority of the country's population.

In order to get a clearer idea of the peculiarities and scope of what has happened, suffice it to compare the situation, for example, at the beginning of the first quarter of the 20th century (still during the life of the current generation) and today, at the beginning of the last quarter of the same century, after the number of years equal to approximately the average lifespan of a modern American.

As is known, on the threshold between the 19th and 20th centuries the United States--given its entire relatively high industrial potential--was primarily a farming country. Farm families constituted nearly two-thirds of the population, while the daily life of many nonfarming families (the petty bourgeoisie, the service sphere and so forth) in small cities and in the suburbs of large cities differed little from farm life.

The farm family is, as a rule, a family with many children, with the strongest vestiges and traditions of patriarchy. It was based on the authoritarian power of the father, on whom the wife and children were most completely dependent. The father's house was a fortress with an autocratic commandant--the head of the family. This house was the center of family interests, the site of regular meetings of the children, even those who had become adults and had had time to start their own families. It was a kind of club, school, temple and sacred place. The father and mother were the rearers and teachers of their children (since the occupation for the greater part was handed down by legacy). Their authority was indisputable, while the ties within the family during the entire life of the parents were very close. The family was united by the community of economic and cultural interests, quite strict religious morals, a strict stereotype of the way of life and even the way of thinking. And this was for nine-tenths of the population of the country.

I ask you not to take this necessarily brief description as an apology of the patriarchal family. There is nothing to be moved by here. The despotism and petty tyranny of the father, the lack of rights of the wife and children, religious fanaticism, philistine intolerance and narrow-mindedness, specifically American sanctimoniousness and so on and so forth--we have read and heard enough about this reverse side of the coin.

Only in Hollywood movies is this Mrs Smith a comical or idyllic figure. In reality her full title is Mrs John Smith, that is, in a literal translation into Russian, the mistress in the house of the master John Smith, and without this John himself she would be no one and nothing. At the same time in the eyes of philistines Mrs John Smith, be she even the most ridiculous wench, stood immeasurably higher than Miss Mary Smith, "spinster Smith," be this "spinster" only a 40-year-old flourishing actress or a 60-year-old world renowned scholar.

It is only in Hollywood movies that John and Marilyn, who ran away from parental tyranny, turn into John Rockefeller and Marilyn Monroe. In reality for one person who has not so much broken loose, but has simply survived without parental support there were 10 desecrated, trampled, ruined lives.

So the raptures here are inappropriate. We will simply note the fact: there was one situation--a completely different one, which is hardly more encouraging, arose (rather, is arising).

The change began little by little by degrees back in the 19th century. In the first quarter of the 20th century it became a perceptible phenomenon. During the second quarter its scope and intensity left everything preceding far behind. While during the third quarter, during the postwar decades everything went haywire, falling apart, degenerating and crumbling into dust.

U.S. farm families are now a small percentage of the population, and in many respects it is far from the previous percentage. Four out of five American families, as before, live in a separate house, but its inhabitants differ no less significantly from its owners and household of the 19th and early 20th centuries than the latter do from the Indians of the 18th century in wigwams. Moreover, one family in five (on the average) changes its place of residence each year, so that the "father's home" often becomes an exotic object. The percentage of "divorces has shot up to almost one-half of the marriages contracted annually. There are millions of families without a father. The "baby boom" of the postwar years is far in the past. Now, in the eyes of public opinion, a family with many children appears as if indecent (due to the "world population explosion"). Is the one-child (on the average) or else the childless family approaching to replace it? Is the potential threat of depopulation arising in its full magnitude in connection with this?...

Other antisocial processes are accelerating the crisis of the family. There are millions of drug addicts. There are tens of millions of alcoholics, who have lost human appearance. There are the billions of dollars which are collected by the Mafia from gaming houses, the pornography business, brothels and so on.

And all this is against the background of inflation, unemployment, crime. And all this is against the background of the embittered strike struggle, the youth movement, racial conflicts. And above all this there is the bitter complaint: the "establishment," the alienation of the individual, hopeless loneliness!

Heaps of literature have been written about all this. Suffice it to cite if only "Future Shock" by A. Toffler.² This book is usually examined in three dimensions: the futurological, the sociological and the ideological. It also has a fourth one: the cry of despair, weeping on the rivers of Babylon about the misfortune which has befallen the people. What Toffler wrote about 10 years ago has ceased to cause shock, but has not ceased to cause a sense of pain and bitterness.

How did this happen? For a long time one or two of the many children in some families, after growing up, left their "father's home" for another

city for work, more rarely for college. Now this has become a mass phenomenon, and adolescents, after leaving for the college dormitory, part with their parents for their entire life, breaking a vitally important tie and dooming the old people to loneliness. The pornography business, the cult of violence and sex in the "mass culture" corrupt young people, stimulate ephemeral ties, lead to the replacement of friends, relatives, a wife by chance or advantageous acquaintances. Things of one-time use are being supplemented by people of one-time use. The result, not only the elderly, but also middle-aged people and even young people are being doomed to loneliness.

The main thing is: in the established socio-economic situation, under the conditions of increasing uncertainty and fear of the future, people are beginning to deny themselves the happiness of motherhood and fatherhood. It is becoming advantageous not to have a family, not to have children: it is easier to make one's way through life. The prospect is total loneliness.

What has been said does not mean that the family has lost its value in the eyes of Americans and is receding into the past. Indeed, the family is having a hard time. The family is experiencing a crisis. But the majority of the population of the United States, as of other countries of the world, are family members. But the majority of single people (also as in all countries of the world) would like very much to start families. There are happy American families. I am personally acquainted with a good 10 of them. They are very different. In some there are strict rules, which are reminiscent of ancient times. In others no one is interested in whether the conjugal relations of the couples invited for dinner have been registered and precisely with whom a grown-up son or grown-up daughter has dropped in to the family table. But in both cases it was evident how the family members value it.

I spent an evening with the family of Robert (Carr), which reminded me of an evening with the families of the old Moscow intellectuals, which by no means prevented the husband and wife from remaining Americans of today. And another evening in the family of Edward Morse, a professor of Tulane University of New Orleans, where the atmosphere was very similar to the one which I would encounter among my friends from Moscow University. Paul (Fabry) and I dropped in on him at home in the evening without warning and found three kids in jeans, who were playing some game with enthusiasm and explained the relations between each other completely "on equal terms." But after literally a few minutes the two young, well-raised young people introduced themselves to me. I was to introduce myself to the third member of this happy company, since it was none other than their mother, Mrs (Fabry) herself, who in full evening dress now figured as a charming grande dame, the first lady of the New Orleans International House, who was receiving a guest. How she manages such a lightning-fast metamorphosis is the secret of an expert.

Three families--three absolute different life styles. Only one thing is the same: my impression is that they are very harmonious families.

Some American families have achieved the highest, in my opinion, limits of happiness, when the husband and wife are not only friends and like-minded people, but also collaborators who have worked creatively for years shoulder to shoulder. As far as I know, the family of one of the most prominent American futurologists, who, unfortunately, died recently, was like that. Such are the families of some scientists I know, a well-known artist, with an exhibit of whose paintings Muscovites were acquainted; a young husband and wife who have gained world fame for their works on global modeling, and others. Such families can only be envied. It would obviously be an exaggeration to believe that such families are typical for the United States. But there are unquestionably more and more of them.

It is especially necessary to speak about the modern American woman. It would be incorrect to assert that she has achieved actual complete equality. It is much more difficult for her than for a man to make her way through life. She is underhandedly paid much less for a job identical to that of a man, and her average wage barely exceeds half that of a man. The family woman is still considerably dependent on her husband. This, of course, is so. But the modern American woman is becoming less and less often the "husband's wife" and is more and more often an independent person.

Perhaps I was lucky, but the women colleagues I met in the United States were not in the least inferior to men in intelligence, ability and the sense of personal worth. Beginning with Tulane University doctoral student Donna (MacCerly) and up to prominent futurologist Barbara Hubbard or one of the leading sociologists of the country, Eleanor Sheldon--they are all far from being the "weak sex," when a scientific discussion is struck up. The country can only be proud of such women.

The young students, graduate students and lecturers of American universities arouse respect and liking in precisely the same way. When I completed a regular lecture at Tulane University, Loyola University or the University of New Orleans an avalanche of questions naturally fell upon me and the discussion frequently became heated. Some questions and remarks were friendly, others were not very friendly. But, with the rarest exceptions, I did not notice open animosity. They are normal kids. Just as at Moscow University. Young people are young people. I would not say that everything without distinction pleased me at the American university. But this is a theme of a special discussion, which requires long-term acquaintance with the subject.

The same thing can also be said about the professors. I was received by the heads of universities and spoke with at least 10 specialists in fields close to mine. In all instances I found in those people with whom I spoke an interest in the problems and achievements of Soviet sciences, a willingness to talk about the problems and achievements of American science.

However, the happy memories about my individual American encounters should not overshadow the overall gloomy picture of American social reality, which was spoken about above, about which Americans themselves speak. The happy

families which I met are a more painful reminder of the millions of family dramas, the crisis of the modern American family. The evenings spent among colleagues in Washington, New Orleans and New York do not let me forget the oppressive loneliness of millions of Americans and their national tragedy of "alienation."

Are Americans attempting to break the vicious circle of loneliness? Yes, they are. I have read much about such attempts and was a witness to a minimum of three of them.

In Washington Barbara Hubbard delivered a report at a meeting of the Washington division of the World Future Society on the cosmic future of mankind. The report and the discussion on it were combined with a luncheon, after which coffee, cocktails and tea were served, and everyone who gathered in groups sat around completely like at home, continuing the discussion or starting a conversion on topics far from futurology. A quite easy, I would say, family situation resulted, although up to 100 people had gathered. My lecture at the International House in New Orleans, after which several hours were also spent by groups in "family" table talks, was then listened to in approximately the same situation. Of course, all this cannot replace the family. But there is clearly some gap in the idea of reducing the oppression of loneliness and expanding the permanent contacts with people interesting to you.

On Sunday morning in New Orleans Mrs (Carr) took me to a cathedral of imposing size, which does not attract tourists solely for the reason that it had the misfortune to make its appearance several centuries later than the famous European cathedrals. Then it turned out that the enormous cathedral is only half a cathedral. The second half, which is not less, if not more, significant, begins behind the altar. There we walked through tens of rooms and halls, of which scarcely one was empty. What we did not encounter there! Nurseries. Kindergartens. Several Sunday school classes. Something like a Sunday university for adults. Circles. Rooms for the elderly. The church turned into a club, and a very diverse one.

It is well known that the religiosity of the U.S. population is no longer what it was before. Although Americans continue to assure each other and the entire world that "in God we trust," as can be read on any American coins, in practice this assertion now needs amendments. A relative minority remain true believers. True, the people who dare to openly call themselves atheists are also a minority, but a rapidly increasing minority. The most typical figure is the person who declares himself a believer "for the sake of propriety," who goes to church at the time of the baptism, wedding or funeral service of close relatives and at times on major holidays, but who in fact is a nonbeliever. The churches are empty. The revenues are decreasing. And so, not wishing to surrender its positions, the church is responding with exceptional effectiveness to the vital problem of lessening the acuteness of loneliness (and not just to it alone). It is hardly possible to call this a solution. But there is a search for a solution.

In New York Professor Mendlovitz invited me to a party at the Lindisfarne Commune--one of many thousands in the United States and one of the most stable and authoritative. From my studies of the history of social utopias, in which sporadically emerging and declining communes of various trends play an important role, I knew something about American communes--religious, so-called conjugal and others. Therefore, the interest with which I treated this gathering is understandable.

What is the Lindisfarne Commune? A dozen families and several single people voluntarily moved from houses into a communal apartment--true, a quite spacious one, with a room for each, a recreation room and even a hall seating about 200, where it is possible to hold gatherings with numerous guests--but all the same a "communal apartment" with a common kitchen and other distinctive traits of communal life. As I see it, only people "not of this world" could have acted in this way. Meanwhile the people to whom I was introduced turned out to be quite intelligent, practical and likeable. So, their venture made some sense. It was not slow to come to light upon the closest acquaintance with the proprietors.

The commune members work at various establishments, as do the majority of ordinary citizens of New York. But they spend their free time together. Each of them takes turns watching the house, tidying up the rooms, buying foodstuffs together and preparing dinner (for us, supper), as well as attending to the children, of whom there are many less than the adults. The others help the person on duty as far as possible.

So they have gathered in the evening after work. They stood in a circle, held hands, sang a hymn composed by them, did something like a round dance for a minute, filled the plates and sat down wherever they liked in the dining room for the evening meal and discussion. And then, after putting the plates in the dishwasher, dispensed by group for pastimes according to their interests. The majority went to the hall for a meeting with guests. Someone started romping with the children. An idyll. There is no more room, it would seem, for loneliness.

The history of utopias teaches, however, that such an idyll cannot be endless. Considerable philanthropic donations and support in the form of dues of the members or curious tourists are necessary to maintain the standard of living in a commune at the level of the Lindisfarne Commune, to rent spacious premises and not to experience a need for anything. On a mass scale such sources of income are unrealistic. When a commune is faced with any difficulties whatsoever, the centrifugal forces, which are increased tenfold by the hostile environment, gain the upper hand over the centripetal forces, and the commune collapses in a comparatively short time.

Only animation by some idea, it is all the same by what kind--religious, ethical, political and so forth--is capable of postponing somewhat the collapse. But consciousness cannot resist being for a long time. And being (in this case, the U.S. social system) conquers.

In actual fact a common idea united the members of the Lindisfarne Commune. They feel like they are on Noah's ark in the middle of an ocean of a social reality which is unacceptable to them. And they would like to give mankind an example of one of the attempts to escape this reality.

But is it really possible for people to escape from themselves, from the social life surrounding them, of which they are atoms? Perhaps a group of people for a time would be able in this way to overcome loneliness and to make their leisure time more interesting. However, it is impossible to solve in this way the social problem of loneliness--just as any other social problem--on the scale of a country. This has been shown a thousand times by history.

I respect the emotional outburst of the Lindisfarne Commune members. But I know how many monstrous, fanatical outrages upon credulous people occur under the guise of various "communes," particularly in the case of religious sects. And I do not believe in a worldwide Lindisfarne.

I have had occasion to read much in American literature about the ostensibly approaching death of the family, about the inevitability of its replacement by something new (the prophets usually find it difficult to say by exactly what). I have also read the revelations of the adherents of "conjugal communes," who have elaborated entire "theories" of the stable combinations of men and women of different natures and temperaments. No, all these prophecies and revelations are unsound, they do not stand up to the slightest, sober criticism. It is clear that the bourgeois family is a transitory phenomenon. But the bourgeois family is not identical to the monogamous family in general, in principle.

What is to take the place of the family? A harem? An orgy? Cloning? It is sufficient to properly ponder over the possible alternatives in order for the wild nonsense, which the "sexual reformers" bear, to become obvious. The "defamilization" of society can yield nothing except the moral devastation of people, their demoralization, the corruption of young people and the ultimate escheapment of the nation. There immediately come to mind the sad lines of the great Russian satirist M. Ye. Saltykov-Shchedrin about the foolish residents of one fairytale city, who "defiled their own wives and daughters themselves."

Indeed, the modern family needs the help of social institutions, especially preschool institutions. Indeed, the inequality of husband and wife is coming to an end. Indeed, the cooperation of parents, including in the matter of raising children, is very desirable. But no one will give birth to children for kindergartens alone. If a husband, wife and children do not live together, do not live by common interests, there will be no happiness of fatherhood and motherhood, there will be no happiness of truly human love, there will be no happiness on earth in general. It is not a question of a family or a kindergarten. In the socialist countries it is a question of both the family and the kindergarten.

In the Soviet Union, as is known, the demographic processes are also of a complex nature. Many of them differ substantially from American demographic processes. But there are some demographic problems on which Soviet and American sociologists of the family would have something to discuss. There are grounds here as well for scientific dialog.

As far as has been possible I have attempted to keep up with modern American futurological literature. I know more or less the ideas of American engineers and medical people, teachers and architects, philosophers and lawyers, economists and sociologists about the anticipated and desirable, in their opinion, changes in the world fuel and power, material and raw material, food, ecological and transportation balance, on the prospects of the development of world science and technology, health, public education and institutions of culture, the development of the poorly developed zones of the dry land, the world ocean and space, the development of international relations and so on. But from these "bricks" no idea is being formed at all about how the United States might and should look, in the opinion of American futurologists, in the 1980's and 1990's, in the first quarter of the 21st century, after which comes a completely vague area of guesses and philosophical speculations.

Precisely the economic, sociological and political forecasts appear the least convincing.

You read the major forecasting "scripts" of Herman Kahn, who calculates how many tens of thousands of dollars of the gross national product will fall over the average to each person of the U.S. population in the 21st century, and you automatically recall the anecdote of statisticians about the fact that if someone ate a chicken and another person went to bed hungry, on the average, from the standpoint of statistics, there was half a chicken per person. There come to mind here the questions, how many trillions of dollars will the arms which the military industrial complex is attempting to impose on the American people immediately after the neutron bomb cost them, how much will the American dollar of the 21st century be worth, will the current pattern of consumption be maintained and others. What does the ideal future look like from this standpoint? In the 20th century--a house and a car, in the 21st century--two houses and two cars, in the 22d century--three houses... and so on?

You read the much less major arguments of Daniel Bell about "postindustrial society," in which a fraction of a percent of the population will engage in agriculture, a few percent will continue to work in industry, while the remaining 90 plus percent will begin to engage in the "production of information," and you automatically recall the real production and occupational, educational and skill structure of the U.S. population, the millions of young people who are destitute in all respects and who will survive to the middle of the 21st century, to which the gaze of not one futurologist of the world has yet reached.

There logically comes to mind "Utopia 14" of Kurt Vonnegut about a nightmarish society, in which mankind itself has become superfluous, in which all social production has been totally automated under the control of technocrats who constitute together with their wives, children, servants and guards several percent of the population. The remaining 90 plus percent are divided into two parts: one is the "work army," which builds and demolishes something there with shovels in their hands simply to kill time; the other part, the "genda verie," keeps watch over the former, so that it will not revolt against such idiocy. So, is this the "postindustrial society"? Is America headed for this?

There also immediately comes to mind the "distorted world" of the science fiction of Robert Sheckley and Ray Bradbury, in which "everything is incredible, everything is unwelcoming, everything is unnecessary, since it contradicts reason."

I attempted to find out the opinion of my American colleagues, what they themselves think about this. A complex impression requiring a special examination resulted from 10-20 conversations. But in brief it can be reduced to the following assumptions.

There is the unanimous conviction of the need for a positive, constructive "model of the future," toward which the life of society should be oriented. Without this the normal existence of both the individual and society is impossible. The acknowledgement that so far in non-Marxist concepts of the future such a "model" does not exist is just as unanimous. Glimmers in this respect or at least hints that it will appear in the near future are also not visible in these concepts. The futurological authorities of the 1960's and even the 1970's are under the fire of criticism, especially among young people. The attitude toward what politicians promise is extremely skeptical everywhere. The prevailing mood of the American establishment is to maintain the existing situation as long as possible, while postponing all changes. The majority of collocutors were aware of the utopian nature of such an aspiration: society cannot live perpetually at "the freezing point." The collocutors ascribed exceptional importance to increasing the "quality of life" in the United States.³ Some of the collocutors emphasized the need for long-term close scientific work on constructing a "tree of long-range problems" and a "tree of goals," the comparison of which could provide recommendations for elaborating solutions for the future.

To this should be added the nearly unanimous condemnation among those with whom I met of the arms race and the increase of international tension, a sympathy for all elements of detente, a genuine interest in working out long-range problems abroad and a willingness for the exchange of scientific information and for scientific cooperation in this field.

Let us recall that the problems of social forecasting are one of the points of the long-term agreement on scientific cooperation between the academies of science of the USSR and the United States.

During my trips to America I became acquainted there with people who are quite competent in these problems. I would not say that during these weeks I studied the country. But its people--at least those whom I had occasion to meet--aroused a feeling of warmth. I would like to wish them a brighter future than the one which has been prepared for them by the present American socio-economic system and is described by American futurology.

FOOTNOTES

1. See, for example, O. N. Yanitskiy, "Urbanizatsiya i sotsial'nyye protivorechiya kapitalizma. Kritika amerikanskoy burzhuaznoy sotsiologii" /Urbanization and the Social Contradictions of Capitalism. A Critique of American Bourgeois Sociology/, Moscow, 1975.
2. See SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 3, 1977, p 41.
3. See SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 1, 1978, p 23.

7807
CSO: 1803

WASHINGTON AND CHINESE AGGRESSION AGAINST THE SRV

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 76-80

/Article by B. N. Zanegin/

/Text/ An evaluation of the dangerous foreign policy course of the Beijing regime has been repeatedly given in the ruling circles of the Soviet Union. The development in China of militarism which threatens the security of other nations, international stability and the cause of universal peace, has been indicated; the foolishness and danger of the support of Chinese expansionism by the western powers have been stressed. The invasion by Chinese armed forces of the Socialist Republic of Vietnam, which began on the night of 16-17 February 1979, a week after the return of Vice Premier of the PRC State Council Deng Xiaoping from a trip to the United States and Japan, completely confirmed the correctness and opportuneness of these evaluations. "The current Beijing rulers," L. I. Brezhnev said in an election speech, "have finally revealed to the entire world the treacherous, aggressive essence of the great power, hegemonic policy being pursued by them. Now everyone sees that it is this policy which at present is the most serious threat to peace throughout the world. Now the complete danger of all forms of complicity with this policy is clearer than ever before."

PRC leaders and Beijing foreign policy propaganda attempted to depict this action as a "punitive expedition" of Chinese armed forces or as a comparatively limited border conflict. Officials in Washington in essence supported this version, while the American mass media for the most part promoted its dissemination. However, it is clear to every unbiased observer that this was unprovoked extensive aggression, which was prepared beforehand and was carried out against a comparatively small country by a large state which has nuclear weapons and superiority over the victim of the aggression in conventional armed forces.¹

1. According to the data of NHAN DAN, the organ of the CC CP of Vietnam, of 20 March 1979, the Chinese command had concentrated on the Vietnamese front 600,000 troops, 580 warplanes, 480 guns and 1,260 howitzers, 550 tanks and armored personnel carriers.

It is no secret that in carrying out their great power hegemonic plans the Chinese leaders are counting at least on the tacit agreement of the United States. Beijing is proceeding from the fact that the accomplishment of the ambitious plans of transforming the PRC into a military industrial "superpower" by the end of this century depends on the willingness of the United States and its allies—Japan and the countries of Western Europe—to place at the disposal of China their industrial, financial, scientific and technical potential and to open their arsenals for furnishing PRC armed forces with modern weapons. There is no doubt that the Beijing leaders would not decide to undertake extensive aggressive actions on the Indochina peninsula without being certain of the favorable attitude of their new partners toward this armed action.

This armed action of the Beijing leaders will be recorded in the annals of international relations of the later 20th century in precisely this manner—as extensive open aggression of China against a neighboring country, which was carried out with the connivance of the reactionary forces of imperialism.

Having concentrated a large group of troops on the borders of the Socialist Republic of Vietnam, the Chinese command planned to rout the opposing forces and create the threat of a breach into the central regions of Vietnam. Under the conditions of a numerical superiority the aggressor calculated that the lightning attack would force the Vietnamese to agree to talks, during which the Chinese representatives would impose their own conditions of a "settlement," including the annexation of sections of Vietnamese territory.

However, these calculations proved to be built on sand. The Vietnamese troops and home guard offered the aggressor resolute resistance and halted its advance. Having incurred heavy losses in manpower and equipment, in the middle of March the Chinese divisions withdrew to the initial boundaries without achieving the set objectives.

The moral and political defeat was not less painful for the Chinese leaders than the military defeat. "Now the Chinese themselves should learn a lesson--military and political--from their catastrophically concluded adventure," SRV Premier Pham Van Dong said in a Swedish television interview at the end of March.

The outcome of the PRC adventure once again showed the hopelessness of aggression against the Vietnamese people, who are united around their Communist Party, have means of self-defense and enjoy the support of the socialist community and the progressive countries of the world. At the same time the expansionist essence of the foreign policy course of the Beijing regime and the threat which it bears for the neighboring countries and for the cause of universal peace were fully revealed.

The PRC aggression also promoted to a great extent the more complete understanding by international public opinion of the foreign policy conditions which enabled--and helped--Beijing to carry out armed aggression against the socialist country.

The actions of the Chinese confirmed not only the warnings on the part of the USSR and the other socialist countries with respect to the aggressive intentions of Beijing, but also the most pessimistic forecasts of the political and scientific circles of other countries, including sober-minded American political scientists, concerning the expansionist aspirations of China. The argument about the "peaceableness" and "moderation" of the current "pragmatically" disposed Beijing leaders and about their lack of intentions to use force has completely lost ground. For precisely these myths have been used until recently as arguments for substantiating Sino-American rapprochement on the basis of "the community of strategic interests." This aggressive action made completely null and void the assertions of high-ranking American figures and the Beijing leaders that the "new" relations between the United States and the PRC are ostensibly called upon to serve the cause of peace, security and international stability in Asia and other regions of the world, that these relations are not aimed against the interests of other countries.

For a long time the Beijing regime attempted to place Vietnam and its people at the service of its great power goals in Southeast Asia and on a worldwide level. The prospect of creating a unified socialist Vietnam from the very start were perceived by the Chinese leaders as a threat to their plans of expansion in Southeast Asia. In connection with this during the entire period of the struggle of the Vietnamese people against American armed intervention and the pro-American regime in South Vietnam the main goal of Beijing diplomacy in this region was not to allow the unification of Vietnam, to isolate it from the socialist countries and especially from the Soviet Union and to keep it from participating in the solution of the general problems of Indochina.

The prospect of using the aggressive policy of Beijing in the interests of the United States attracted the attention of Washington long ago. The hopes of attaching the Beijing regime to antisocialist positions, of using it extensively to struggle against the liberation movement in various regions of the world and of tying it on this basis to the foreign policy strategy of Washington were connected with this prospect. This was confirmed, for example, by former Secretary of State H. Kissinger in his statement quoted by the French magazine AFRIQUE-ASIE in the issue of 5 March 1979: "What more splendid a spectacle could be seen than conflict between the USSR and China and their allies. And if China attacked Vietnam, the result would be doubly favorable for us: for Vietnam this would be a new blood-letting, while China would look then in the eyes of the Asian nations and the countries of the Third World generally like a militaristic, aggressive hegemonic power capable of enslaving its weaker neighbors."

The current assistant to the U.S. President for national security affairs, Z. Brzezinski, while in Beijing in May 1978, assured the Chinese leaders that the United States would support them in what concerned the "repulsion of Vietnamese intrigues" on the Indochinese peninsula. "The United States," he stated, "approves and shares the intention of the Chinese Government to oppose any nation which would attempt to impose its hegemony--on a worldwide scale on any region."

The diplomatic preparation for PRC armed aggression against Vietnam was included among the main goals of the official visit of Deng Xiaoping to the United States (29 January-5 February 1979). Taking into account the precedents of the diplomacy of reticence and half-truth which were created during the recent Sino-American talks on the problem of Taiwan, it can be assumed that on his part Deng Xiaoping gave it to be understood that the inevitable statements of the Washington administration with a nominal expression of concern about the Chinese invasion into the territory of a neighboring country would be received in Beijing with understanding--as purely protocol statements which do not have an influence on the real relations between the United States and the PRC.

It looks as if Deng Xiaoping successfully fulfilled this part of his mission. At the same time the Chinese leaders used the procedure of normalizing diplomatic relations with the United States and the visit of Deng Xiaoping to consolidate the basis of political coordination--the provision on "opposition to hegemony," which is contained in Sino-American, no less than in Sino-Japanese, documents. Before Deng Xiaoping left the United States high-ranking PRC representatives again emphasized the importance of the "antihegemonist" thesis. "Opposition to hegemony is the general fundamental basis" of the relations between the United States and the PRC, Chinese Minister of Foreign Affairs Huang Hua stated at the press conference in Seattle on 5 February 1979.

Let us note that the reaction of official Washington to the attempts of the Beijing emissaries to include the United States in a "united antihegemonist front" against third countries was deliberately ambiguous. The public statements of Deng Xiaoping, which contained direct threats to Vietnam, did not evoke objections on the part of American leaders. At the same time a number of officials--U.S. Ambassador to the PRC L. Woodcock and White House Press Secretary H. Carter--gave it to be clearly understood that the United States and China were acting in unison in such a question, for example, as "the role of the SRV in Kampuchea," and that these actions were a display of community in implementing the provision on "opposition to hegemony." In essence in the official statement of the American Government concerning the Chinese invasion of the SRV the Chinese aggression was placed on a level with the support by Vietnam of the people of Kampuchea, who had revolted against the brutal Pol Pot-Leng Sary regime, which just recently was subject to the harshest criticism on the part of the U.S. President.

This is attested by the position of the American representative to the UN Security Council, who tried to exonerate the Chinese aggressors, as well as by the official visit of U.S. Treasury Secretary M. Blumenthal to the PRC, which took place at the height of the aggressive actions of the Chinese army on Vietnamese territory, and a number of other facts.

In our times any, even a small armed conflict has the danger that it may become the detonator of extensive international complications. When it is a matter of the unleashing of a conflict by such a large country as China, which holds a definite position in the global system of international

relations, the direct threat of the breakdown of peace throughout the world arises. Washington did not go beyond the expression of "regrets" and "concern," refraining from an appraisal on principle of the aggressive actions of Beijing.

From the cited facts it is evident that Washington, in protecting its "new" relations with Beijing, in practice did not attempt to aid the prevention of the attack of the Chinese military clique on Vietnam. On the contrary, it assumed a position which attested to toleration of the aggressor.

But this, I daresay, is the least that can be said about the formed situation. Among the U.S. ruling elite and, in particular, in the present administration itself there are advocates of direct and open cooperation with Beijing on the basis of the use of Chinese expansionism for the purposes of struggling against the world of socialism and against the progressive forces in the world in general.

There is already much evidence of the steady increase of the influence on the policy of the Democratic administration of the forces, whose line on the official level is being pursued by Presidential Assistant for National Security Affairs Z. Brzezinski--one of the chief architects of the playing of the "China card" in the policy of Washington. Their designs are aimed at increasing international tension, at creating new crises and conflict situations and at reviving the Cold War. The Beijing leaders are also pursuing this goal, attempting to use Washington in their hegemonist designs on the world arena.

And although the 30-day war of Beijing against Vietnam, which marked a new stage in the hegemonic policy of the Beijing regime in Southeast Asia, ended in the defeat of the aggressor, it clearly does not intend to reject the attempts to change the situation on the Indochina peninsula in its interests: namely, to create on the continent a corridor for Chinese expansion to the south. Along with the continuation in one form or another of military pressure on Vietnam, Laos and Kampuchea it is resorting more and more extensively to the tactic of subversive actions, with which many countries and regions of the world are well acquainted. This tactic calls for the co-ordination of the actions with U.S. special services in providing support to counterrevolutionary forces, such as the "Islamic brothers" in Afghanistan, the Mobutu regime in Zaire and the separatists in Ethiopia.

Let us recall that appeals to other countries "to show restraint" with respect to crisis situations in Asia, Africa and Latin America are often heard from across the ocean. Washington itself obviously does not consider either itself or Beijing to be bound by such appeals. The United States is interfering more and more actively--directly or secretly--in the affairs of the countries of this region; and, as the actual encouragement by Washington of Beijing's aggression against the SRV showed again, this interference is being carried out as before for the purpose of supporting the reactionary forces and of directing the events in one country or another, in one region or another in a course advantageous to imperialist interests.

In conclusion let us recall that the PRC at the present is the only major power, the government of which is openly, actively and in all directions attempting to counteract detente. At the same time the militarization of the country, including the massing of a nuclear missile arsenal, is being carried out; the Chinese armed forces are being equipped with modern offensive weapons. To encourage such a policy and to give moral and political support to the great power, Sino-centrist aspirations of the Beijing regime means to promote the creation in the Far East of a center of increased military danger, which will undoubtedly lead to the increase of tension far beyond the region.

7807

CSO: 1803

JOINT ACTION TO PROTECT THE ENVIRONMENT

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 80-86

/Article by I. G. Vasil'yeva and V. I. Sokolov/

/Text/ In late January and early February 1979 the 7th Session of the Joint Soviet-American Commission on Cooperation in Environmental Protection was held in Moscow. The session became a new important step on the road of international cooperation in solving one of the most important problems of the present. Soviet-American cooperation in the field of environmental protection has been going on now for six years and definite experience has been gained. The agreement signed in May 1972 stipulated that this cooperation would have as a goal the solution of the main aspects of the problem of the environment and would be devoted to the elaboration of measures on the prevention of pollution, the study of pollution and its effect on the environment and the development of the principles of regulating the influence of human activity on nature.

At present more than 40 joint projects, which embrace 11 main problems of the theme, are being developed in the framework of the agreement. Among them are such vitally important questions as the prevention of the pollution of the air and water, the improvement of the environment in cities, the effect of a change in the environment on the climate, the prediction of earthquakes, protection of the maritime environment from pollution, and its biological and genetic consequences, the protection of wild species of flora and fauna, the organization of preserves and others. At the session it was emphasized that the successful results of the cooperation on a number of problems are already making it possible to compile plans on enlarging the spheres of joint research. In particular, the questions of training and education in the field of environmental protection, the study of the mechanism of the influence of toxic substances on man and the environment were named as possible new themes for cooperation.

The heads of the delegations--U.S. Environmental Protection Agency Administrator D. Costle and, on the Soviet side, Chairman of the USSR State Committee for Hydrometeorology and Environmental Control Yu. A. Israel'--were

received by Chairman of the USSR Council of Ministers A. N. Kosygin. During the meeting he head of the Soviet Government noted the important practical significance of Soviet-American cooperation in the field of environmental protection and the great potentials for its development.

The American and Soviet delegates who spoke at the opening of the session gave an evaluation of the results of joint research during the preceding year. At the same time attention was devoted to the important measures in this field, which are being implemented in our country. In particular, the creation of the USSR State Committee for hydrometeorology and Environmental Control, which has been allotted extensive powers in the field of environmental protection, was noted. The decree of the CC CPSU and the USSR Council of Ministers, "On Additional Measures to Step Up the Protection of Nature and to Improve the Use of Natural Resources," which was adopted in December 1978 and in which it is stressed again that "the protection of nature and the rational use of natural resources under the conditions of the rapid development of industry, transportation and agriculture and the involvement in recovery of a greater and greater amount of natural resources are among the most important tasks of the Soviet state," aroused great attention among the American delegates.

Soviet-American cooperation in the field of environmental protection has been placed on a long-term, stable basis. Therefore, sessions of the joint commission are being held regularly and successfully. At the same time U.S. delegation head D. Costle, in evaluating the preceding session, called it "the most businesslike, most effective" session. Owing to the experience gained during the six years, D. Costle noted, friendly relations have been established between us, and now each time we find new fields for research, we obtain new knowledge; in the future we will strive to extend our relations.

Yu. A. Israel', cochairman of the joint commission on the Soviet side, in noting the constructive nature of the work of the session, said that the results of cooperation are giving grounds to start solving more extensive and long-term problems and analyzing comprehensively the condition of the environment, each working group must outline the prospects and compile plans of solving such problems. Moreover, the great experience of our cooperation, which has been gained in past years, Yu. A. Israel' noted, is making it possible to begin its generalization, so that the results, as stipulated by the agreement between the states, would be accessible to both countries. It is also impossible not to take into account the importance of such cooperation both for the development of international scientific and technical cooperation as a whole and for the consolidation of the mutual understanding and relations between our two countries.

The past session was very representative. On the Soviet side specialists of the USSR Academy of Sciences, experts of the USSR State Committee for Science and Technology, staff members of the ministries of agriculture, land reclamation and water resources, the maritime fleet, a number of organizations of USSR Gosstroy and others took part in it as delegates. Apart

from staff members of the Environmental Protection Agency¹ the American side was represented by the National Science Foundation, the Department of Commerce, the Department of Housing and Urban Development, as well as the Department of the Interior, which, on the suggestion of the American side, in the signed documents in the Russian translation appeared as the U.S department of natural resources.²

The session noted that during the preceding period much work had been done, in particular more than 100 meetings between the project participants were held. In addition to scientific research proper, scientific symposiums and conferences were arranged, joint oceanic expeditions were organized, exhibitions were held,³ the exchange of plants and specimens of wild nature was made, joint experiments and the exchange of specialists, scientific staff members, trainees and scientific and technical information were carried out.

In responding to the numerous questions of journalists during a press conference devoted to the work of the 7th session of the joint commission, Yu. A. Israel' noted that the current problems of the environment are diverse and unlimited, new spheres of anthropogenic influence on the environment are constantly being discovered. Perhaps the spheres of Soviet-American cooperation, which now already embrace an extremely complicated group of questions--from the development of technological means of controlling environmental pollution to compiling forecasts of earthquakes, from establishing the probable climatic changes as a result of the production activity of man to the organization of preserves and the protection of rare species of animals and plants--could be just as diverse.

Even now it is becoming quite obvious that the joint efforts are speeding up the solution of these problems. American delegation head D. Costle also spoke about this, telling about the research on predictions of earthquakes. USSR and U.S. scientists consider it possible in the immediate years to come to develop a reliable and precise system for predicting major earthquakes. Joint efforts can, as D. Costle stated, speed up this process. The American side hopes to equip itself with the magnificent software which Soviet scientists have in the matter of predicting such natural disasters as earthquakes and seismic sea waves. During the discussion our specialist emphasized the fact that this field of cooperation is one of the most important and promising. The need to set up a global network of seismic stations was pointed out.

The scientific and technical potentials of the two countries have also made it possible to begin the study of the most complicated natural phenomena connected with the influence of changes in the environment on the climate of the earth. During the past year of 1978 national programs on the study of the climate were adopted in the USSR and the United States. A world conference on this question was held in Geneva. The cooperation of USSR and U.S. climatological scientists is being carried out in such directions as the modeling of climatic processes, the influence of air pollution on the climate and several others. In late 1977 the U.S. Department of Energy began on the recommendation of 75 American scientists a long-term study on

the accumulation in the atmosphere of carbon dioxide, which, as is known, can lead to a "hothouse effect," an overall warming of the climate, the melting of glaciers, an increase in the level of the world ocean and so forth. Scientists have calculated that annually up to 5 billion tons of carbon dioxide (including one-third from the United States) are discharged into the atmosphere, this figure might increase to 15 billion tons in the year 2000.

Among the main problems of the environment which Soviet-American cooperation now encompasses, the protection of the air basin against pollution is considered the first one. Here joint operations are being carried out on nine projects. In particular, the processes of the movement of contaminants in the air from their sources have been studied, methods of predicting pollution, as well as methods and instruments for measuring and monitoring air pollution have been developed. As was noted in a special report of the 7th session on the course of fulfillment of the agreement between the states, "the improvement of the methods of observations, the models of transformation along with the development of methods and instruments for monitoring the sources of pollutants and analyzing air pollution will promote an improvement of air quality and health conditions of the life of the population."

Much attention was also devoted to developing technological means of preventing the pollution of the air by industrial projects. Here such questions as the purification of exhaust, the removal of mechanical particles from discharges and the optimization of the technological processes in order to reduce emissions were at the center of attention. Special projects are being carried out on preventing air pollution by ferrous metallurgy enterprises and transportation. Last year the scientific forces of the USSR Ministry of the Automotive Industry were included in the work of our special laboratory of the toxicity of motors.

Water resources play an important role in the economy of both countries, their pollution leads to the exhaustion of water resources, to the destruction of flora and fauna, the irrecoverable loss of esthetic, recreational and other natural valuables. C. Andrus, head of the U.S. Department of the Interior, touching upon the condition of water resources in the United States, noted: "We have to recognize that water is an extremely valuable resource, we have to use it more carefully than in the past."

At the center of attention of the working groups carrying out joint operations on this problem were such questions as the development of economical methods of purifying sewage in municipal services and industry, the elaboration of water quality standards for watercourses, the determination of the accumulation of toxicants in fish, the planning and performance of water conservation activity on a regional basis. In his speech at the session V. R. Lozanskiy, director of the All-Union Scientific Research Institute of Water Conservation, noted the great success which has been achieved in the course of cooperation. The parties have elaborated a set of water conservation means on sections of the Severnyy Donets and Connecticut rivers for the

purpose of comparing and improving the methodologies of planning water conservation activity and have made a joint study on mathematical models of water ecosystems.

Within the framework of research on the problem of water conservation comparative studies were also made of the Great Lakes and Lake Baykal, with respect to which, as is known, steps are being taken to protect these unique natural reservoirs of fresh water. Here the methodology of making a chemical analysis and intercalibrating observation instruments was compared. In 1978 American specialists had an opportunity to get acquainted with the automatic water quality monitoring stations on the Moscow and Askay (the city of Rostov-na-Donu) rivers, they also studied the methods being used in our country to reclaim alpine Sevan Lake. Finally, the most important aspect of this problem is the development of technological means of controlling water pollution. Mutual acquaintance with the means being used in this field, S. V. Yakovlev, director of All-Union Scientific Research Institute of Water Supply, Sewerage, Hydraulic Structures and Hydrogeology, stressed in his speech, is already bringing us to the possibility of jointly designing a new purification technology.

D. Hales, one of the executives of the U.S. Department of Interior, called the Soviet-American cooperation in the field of protecting living nature and organizing preserves "extremely fruitful." He named as the main event of the past year the entering into force of the Soviet-American convention on the protection of migratory birds and the places of their habitation. Within the framework of this program the experiment on breeding the Siberian Grus Leucogeranus ended successfully. Eggs, which were successfully transported to the nursery of the International Crane Foundation (Wisconsin) for artificial breeding, were collected in Yakutia from the nests of this extremely rare species of crane. Now the nursery has several specimens of the rare bird. In turn American specialists gave to their Soviet colleagues an incubator for implementing in the USSR a program on breeding cranes in captivity. Now joint experiments are being conducted on breeding in captivity several fur-bearing and other rare animals. At the same time work is being performed on the precise calculation of the populations of wild animals, norms of their shooting are being elaborated, here particular attention is being devoted to the ecology of the ungulates of the Arctic and Subarctic. America's Alaska and extensive regions of the Siberian north have become the testing grounds for such studies. A special theme of Soviet-American research is the ecology and economic importance of the wolf. At present the size of the population of this species is being determined, an evaluation of the actual influence of wolves on domesticated and wild animals is being given, specific measures on the protection and control of the number of wolves are being elaborated.

Both parties have gained much experience in organizing various types of protected natural territories (national parks, preserves, refuges and so forth). In our country preserve territories have existed for 60 years—the organization of protected territories was commenced by a special decree of Lenin. At present there are more than 127 preserves of various types in the

USSR. The largest of them will be included in the world network of biosphere preserves, the development of which was begun recently.

Specialists have already begun to draft plans for creating in both countries "twin parks," at which long-term joint studies of comparable ecosystems could be made. Since the territories taken up by arid, that is, desert, and northern ecosystems occupy considerable areas in both the USSR and the United States, the main attention is being devoted to their study. It is also important that these extremely vulnerable ecosystems have considerable resources, which are being developed intensively (for example, oil drilling in the northern part of Alaska and in Western Siberia). Here the construction and operation of pipelines, railroads, highways and engineering structures are being carried out. And it is in our common interests to find ways to protect nature under these conditions.

In recent years the pollution of the world ocean—the source of enormous biological, mineral and other resources—has caused greater and greater anxiety. (J. Kirkland), the head of a division of the U.S. Coast Guard, in his speech emphasized that cooperation is being developed very successfully. The questions being studied in accordance with this program concern, in particular, the prevention of pollution from tank barges and oil-water separators, the control of leaks of dangerous substances during marine shipment and so forth. It is significant that many American industrial companies, which produce oil-collecting equipment and receiving devices, as well as dispersion mediums,⁴ are showing an interest in cooperation with the USSR. Among them are Argon Environmental Services, Globe Air, Woodward-Clyde, Louisiana Land and others. U.S. governmental organizations are also participating in the development of equipment of this type: the attention of Soviet specialists has been attracted, for example, by the floating "sled" of the U.S. Coast Guard, which is used for transporting equipment to control sludge.

The study of the biological and genetic effects of environmental pollution is one of the most complicated problems. "In our times," Academician N. P. Dubinin, director of the Institute of General Genetics of the USSR Academy of Sciences, noted, "the performance of joint research in the field of the mutational stress of the environment on the genetic systems of man is assuming great importance." This institute, as well as the Biological Center of the USSR Academy of Sciences (Pushchino), is exchanging information on practical and theoretical approaches to the problem of mutagens and carcinogens of the environment with a number of U.S. universities, as well as with such scientific centers as the Stanford Research Institute, the National Center for Toxicological Research, the National Cancer Institute and others.

Questions connected with the so-called comprehensive analysis of the environment have also been studied within the framework of this major problem. The aim of the project is the study of the environment, including the effect of various pollutants on the health of man and on ecosystems, sources of pollution, the technology and economics of methods of monitoring the changes occurring in the environment. The American side chose as testing grounds

for research the region of (Colstril) in the state of Montana, while the Soviet side chose the region of Lake Baykal and the Kansk Achinsk Fuel and Power Complex.

The work of the 7th session of the joint commission for cooperation in environmental protection concluded with the signing of a number of documents. The report on the course of fulfillment of the agreement, which was adopted at the session, notes that the reached understanding "serves as a firm basis for cooperation, which in the future should be developed... for the purpose of obtaining specific, appreciable and economically efficient results, which are advantageous for both parties, in solving the problems of protecting and improving the environment and using the natural resources of both cooperating countries rationally." The joint commission approved the memorandum of the session, in which comprehensive plans of joint work for the next year on all 11 problems were worked out in detail. Finally, a joint statement of the cooperating parties (in which the mutually advantageous and successful nature of the fulfillment of the agreement between the states, the friendly and businesslike atmosphere of the work of the session are noted) was submitted to the regular session of the joint Soviet-American commission on scientific and technical cooperation, which was held in Moscow in February of this year.

Speaking at the closing of the 7th session, joint commission cochairman Yu. A. Izrael' once again emphasized the enormous importance which the solution of the problems of the environment has for the protection of the cradle of mankind--the planet Earth. At the same time the status and prospects of Soviet-American cooperation in the field of the environment, he noted, are most closely connected with the solution of the main problem of the present--the problem of disarmament, which we should constantly bear in mind and without the solution of which it is impossible to solve completely the problems of the environment.

FOOTNOTES

1. Let us briefly recall that the Environmental Protection Agency, which was set up in 1970, deals with the organization of the control of environmental pollution on a national scale. It is responsible first of all for the implementation of the corresponding U.S. legislation, for the development and introduction of environmental quality standards and for the organization of scientific research and development in the area of protecting the environment from pollution. In 1978 more than 10,000 people worked in the agency and its regional branches, while its operating budget was more than \$1 billion.
2. The point is that the Department of the Interior and its main subdivisions control and regulate the working and use of a considerable share of the mineral resources. Moreover, a number of main services of the department (the National Park Service, the Fish and Wildlife Service and others)

perform primarily nature conservation functions. The total expenditures of the department for this purpose during fiscal year 1978 were estimated at more than \$1.5 billion.

3. The opening of the American exhibit, "The Protection of Historical Monuments," in Moscow was timed to coincide with the holding of the 7th session. In turn last year a Soviet exhibit on a similar theme was organized in the United States. As D. Costle noted in his main speech, it has great success among the American public.

4. Chemical substances which remove a film of oil from the surface of water.

7807

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THE REPUBLICANS SEEK A CANDIDATE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 86-90

Article by O. N. Anichkin

Text A Republican Party conference was held in Easton (Maryland) in February, with the participation of many of the party's prominent figures-- senators and members of the U.S. House of Representatives, as well as figures who hold posts in executive agencies. It was the second time such a convention had been held. The conference discussed important foreign and domestic policy problems which could be of key importance in the period remaining before the 1980 presidential elections. The main result of the conference was the Republicans' decision to fight the Democrats on many points of the Carter administration's foreign and domestic policy, in particular the problem of inflation.

Everything indicates that the Republican Party leadership has launched its presidential election campaign.

The results of the 1976 presidential elections are still fresh in the memory, when the Republican Party yielded the White House seat to the Democrats, lost a considerable number of seats in the House of Representatives and suffered losses, albeit insignificant, in the Senate. Even before, the Republicans were in a minority in Congress, and this minority became even smaller after the elections. They also lost ground to the Democratic Party locally, where the parties' base is formed for the political battles during election campaigns.

In the American press there was discussion at that time of the all but "humiliating" defeat of the Republicans, that "Grand Old Party," and of the dubious possibilities of its return to the White House. Many explanations for this were given; the Watergate affair was frequently cited as the main factor. There was also talk at that time of the Republicans' loss of positions in their traditional strongholds--in the states where their candidates have long been guaranteed election to the U.S. Congress; among influential business circles which gave money and other support in the election

struggle; in certain religious circles which have always been numbered among the supporters of that party. When the Republican leadership analyzed the defeat, it was revealed in addition that the party had become even more remote from such groups of voters as ethnic minorities, and above all black Americans, and with each new election campaign the latter became an increasingly weighty contingent of voters who influence the outcome of both presidential and midterm elections. Nor did the Republicans receive support from the labor unions, which remained (with reservations) on the Democrats' side.

Describing the situation in the Republican Party, commentator J. Reston wrote: "Although the election campaign still seems a long way off, time is, in fact, running out. Kennedy, Nixon and Carter won because they started waging a tenacious election struggle early, while discord reigns as ever among the Republicans; they are not in power and, as far as I know, are not even discussing seriously the question of what positions they occupy and who could become their leader."

It must be noted that soon after the 1976 elections the Republicans decided to put their house in order. The energetic and relatively young William Brock became chairman of the party's National Committee. In an atmosphere of complex struggle between several factions within the party he managed to gain victory as a result of the fact that he put forward a program for renewing the party, by means of which it would be possible to count on success in subsequent election battles.

Brock's program, which was approved by the party's National Committee, was aimed at regaining the party's lost positions by means of its democratization. It was a question of broadening the party's base and attracting young people, women, "blue-collar workers," as well as ethnic minorities, chiefly black political figures. The need to create a party base in the South, where political forces are traditionally in the Democrats' hands and where it is difficult for Republicans to count on support, was stressed in particular.

Observers awaited with interest the results of the 1978 midterm elections. Not long before the elections Brock formulated his party's aims and tasks in the midterm elections as follows. "Above all," he said in a NEW YORK TIMES interview, "we will try to restore our base, for which purpose we place emphasis on the state legislatures. I hope we will succeed in gaining 250 seats in them, and possibly more. As for the gubernatorial elections, we are counting on obtaining another six posts. In the House of Representatives the party not in power usually increases its representation by six to eight congressmen during the first presidential term; we will obtain more--15-20 seats. The Senate is the main thing for us. But here we will hold on to our former positions and will perhaps lose or gain one seat."

The Republican Party leadership was evidently satisfied with the results of the elections held in November 1978. Its chairman's predictions largely

came true. In the 96th Congress the Republicans obtained 3 new seats in the Senate and 12 in the House of Representatives. They registered their greatest success in the elections to the state legislatures, where they managed to obtain about 350 new seats, bringing their representation up to 36 percent (instead of the former 32 percent). Taking into account their six new governorships, the Republicans obtained the potential to control one or both houses in 30 of the country's states. As Brock believes, his party has created a political base which will tell when the voting district boundaries are redrawn in 1980.

Of substantial importance are the Republican victories over the Democrats in Minnesota, the expansion of their base in the Midwest and the South and the winning of the governorships in Pennsylvania and Texas. In the so-called industrial belt--from New York to Wisconsin, which plays a significant role in the presidential elections--the Republican Party now holds the governorships in all the states except New York and New Jersey.

Experts on U.S. political life also note another fact: the Republicans' confident victories in the gubernatorial elections in states west of Iowa and Minnesota, that is, in the region which has always been Republican. The party's positions here remained firm.

The Republicans noted with satisfaction the improvement in their positions in the South, where the Democrats were previously dominant; the Democrats' base was weakened there, although the incumbent President comes from a Southern state. Whereas in 1976 65 percent of the voters in the South declared their support for the Democrats, in 1978 the number of such voters fell to 58 percent.

All these facts made it possible for Brock to say: "The Republican Party is back. We will go into 1980 on a wave of tremendous forward movement."

However, such an assessment is a clear exaggeration. Even this time, the Republicans' votes came mainly from the same categories of voters, whose incomes are above the average. They are above all white Americans of Anglo-Saxon origin; it is this "pure-blooded American elite" which has remained firmly in the Republican camp.

Assessments of the results of the midterm elections, according to the CONGRESSIONAL QUARTERLY, showed "only a very insignificant movement toward the Republicans" in all 50 states. A poll conducted jointly by THE NEW YORK TIMES and CBS revealed that among the voters polled 46 percent declared their allegiance to the Democrats and only 24 percent to the Republicans. These indicators have changed little in comparison with past years, when the Republicans have managed to put their candidates into the White House. However paradoxical it may seem, in most cases they have been helped in this by the Democrats themselves, because of their failures in both domestic and foreign policy. This time, too, the Republicans are counting on this factor. John Rhodes, Republican leader in the House of Representatives, says that

President J. Carter himself could be one of the main problems in the 1980 elections. "Republican Party strategists believe," the weekly U.S. NEWS AND WORLD REPORT writes, "that President Carter is vulnerable."

Almost the very day after the midterm elections the Republicans started preparing for the presidential election campaign. It is true that their rivals, the Democrats, also began in the same way. The list of potential Republican Party presidential candidates began to grow very rapidly. Apart from the "old faces," some new ones have also appeared on it--Congressmen P. Crane and J. Kemp, Governor J. Thompson, former CIA Director G. Bush, Senators R. Dole, H. Baker, C. Percy and others. Also remaining on the "list of candidates" are such Republican figures as G. Ford, R. Reagan and J. Connally. Some have already announced their candidacy, others are hinting at it, offering the party their services, and still others are campaigning vigorously, but have not yet officially declared their intentions.

The possible candidates named represent various currents in the Republican Party--from conservatives to moderates. They all refer to a greater or lesser degree to their services to the party. Bush, for example, believes that he was once the "cementing force" in the party after the Watergate affair, as he held the post of chairman; he has already tried more than once to fight his way in among the candidates for both the presidential and the vice presidential post, but has had no success. Connally has the reputation of an excellent collector of party funds, but he has many weak points; apart from all else, many Republicans remember that until recently he was a Democrat. The new candidates, such as Kemp and Crane, for instance, have not yet risen to the level where their names are known to the whole country. And hardly anyone will now assert that they could achieve this.

On the whole, as THE WASHINGTON POST notes, the large number of hopefus, the list of whom is far from complete, could lead to "civil war" in the Republican ranks. However, Brock is "encouraging everyone to run for President," declaring that "the more candidates the better, since this indicates the party's vitality." However, THE NEW YORK TIMES calls the list of Republican candidates "a professional football team which is stubbornly oriented toward old defenders and players nearing the end of their careers, rather than young people."

From press statements discussing the Republican Party's prospects it is evident that its leaders are now concerned most of all with the quest not so much for the young politician as for the new, but experienced one. "In the opinion of members of the National Committee, the worst thing that could happen for the party," THE WASHINGTON POST wrote, "would be a renewal of the 1976 struggle between Reagan and Ford for their nomination for the presidency. All Republicans are sickened by the idea of a struggle between these two figures." Brock tried to clarify the opinion of representatives of business circles on this point, and, as the press reports, they let it be clearly understood: "We want neither Reagan nor Ford."

In short, people in the Republican Party leadership, as recent events attest, are increasingly saying and, apparently, agreeing that for success in 1980 they must gamble on a new man. Such conversations are now going beyond the confines of confidential talks, and this is being done, in the opinion of U.S. NEWS AND WORLD REPORT, specifically "to dampen the ardor of Reagan, Ford and their supporters. This is leading to the same fierce internal struggle and bitter disagreements which damaged the Republicans in the last elections."

The press has drawn attention to the decision of General Alexander Haig, supreme commander of NATO Allied Armed Forces in Europe, to retire this summer and leave active army service. This step on Haig's part has been assessed in various circles as an intention to "test his strength" in the political struggle. Haig himself told journalists that "he now has absolutely no political plans," adding that he does not want to renounce such plans for the future. In this connection THE WASHINGTON POST wrote: "Although very few official NATO representatives—if any can be found at all—will assert that they are in the know about Haig's personal plans, one high-ranking representative said that in his opinion Haig felt it was time for him to return to the United States. He is only just over 50 and he probably wants to see what other opportunities might open up before him. Perhaps he sensed something in the sentiments of Americans or of voters who support the Republican Party, which we have not sensed here."

A four-star general, Haig is a well-known figure in Washington's corridors of political power. His career in the Republican administration was dynamic: he was military adviser to H. Kissinger when the latter was R. Nixon's national security adviser, and later became his deputy. During the Watergate scandal he advanced to the forefront of U.S. political life. Haig became leader of the White House staff after the resignation of one of Nixon's associates—R. Haldeman. As is now known, Haig actively encouraged Nixon's resignation so that the latter would avoid "impeachment." After Nixon's resignation, thanks to Haig, the new President G. Ford granted his former boss a free pardon. Such loyalty has always been valued among Republican leaders.

Haig is also a significant personality on Washington's political horizon because the Democrats, while aware of this ties with the Republicans, decided to use him in a key NATO post. Perhaps significance was also attached in this connection to his former relations with C. Vance, the present Secretary of State, when the latter was secretary of the army under the Johnson administration. Haig was adviser to Vance and remained in his post when Vance became deputy to Defense Secretary R. McNamara.

General Haig went to the West Point Military Academy and other military educational institutions, and also the School of International Relations at Georgetown University. As the American newspapers write, persistent attention is now being drawn to General Haig, since he "brilliantly combines the qualities of an excellent administrator, a military figure and a politician." According to J. Califano, a cabinet member in the present

administration, this man represents the "new generation of army officers who know politics and international relations and understand people."

According to the press, recent events stimulated Haig's decision to retire and try his luck in the political sphere. Last year he had a long talk with Nixon in Paris, when Nixon was there in connection with the publication of his memoirs. Nobody knows what these two close associates talked about, but it is reported that Nixon tried to persuade Haig to seek the presidential nomination now that the Republicans are seeking a new face for this role.

Later, during a trip from Brussels to the United States, Haig addressed a group of influential Republicans at their request to explain his views on U.S. military and defense problems and, it is reported, produced a strong impression. After that they started to recall that once before with the help of another general, Eisenhower, the Republicans came to power after the war. Perhaps this analogy is not entirely appropriate in the present situation, but in any case it is being cited.

Haig's views coincide with what the Republican leaders are propagandizing. He supports an incessant increase in U.S. military strength. For this purpose he makes constant use of the myth of the "Soviet threat." All this is completely in accordance with current sentiments in the Republican leadership. The resolutions concerning the "Soviet threat," which were adopted at the Easton conference, and the delegates' speeches indicate that it is the slogan of "building up America's strength," that is, whipping up the arms race, and also charges that the Democrats have not coped with inflation, on which the Republicans intend to concentrate in their presidential campaign.

If Haig does not get on the list of presidential hopefuls he could, political commentators believe, obtain election to the Senate from his home state of Pennsylvania, taking R. Schweiker's seat.

In any case it is already clear that General A. Haig is in one way or another being "predicted" for the role of the new "political star with presidential potential" which the Republican Party is so earnestly seeking.

7807

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WASHINGTON AND DICTATOR SOMOZA

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 91-94

Article by Ye. V. Mityayeva

[Text] The dramatic events in Nicaragua continue to attract universal attention. "For a considerable part of 1978 dictator Anastasio Somoza Debayle was at war with his own people"--that is how NEWSWEEK describes the situation which has formed in this small Central American country.

A new phase of the struggle of the democratic forces of Nicaragua against the Somoza government. The National Patriotic Front--a broad coalition of forces which support the overthrow of the repressive regime--was created on 3 February. The goal of the National Patriotic Front is the establishment in the country of genuine democracy and social justice.

The action by the Nicaraguan people against the dictatorship endangered not only Somoza. It also revealed with new clarity the true goals and methods of U.S. Latin American policy. After coming to the White House, President J. Carter promised that "the United States will strive to support those countries which respect human rights and are loyal to democratic ideals."

The attitude of the United States toward dictator Somoza has completely refuted this statement. All the actions of Washington have attested that there they counted on the dictatorial regime. A mediation commission, which was set up on the pretext of "settling the conflict," attempted to reinforce in every way. Owing to the "mediation efforts," in which Washington played the main role, Somoza won valuable time to strengthen his army. "The United States simply flooded Somoza with arms, so that he has enough of these arms for many years," wrote NEWSWEEK on 26 February 1979. As before, with the blessing of U.S. ruling circles, Israel is delivering the latest American-made materiel to Nicaragua.

Taking advantage of the actual support of the United States, the dictator is becoming more and more insolent. Having rejected the proposals of the mediation commission to hold a referendum in the country, Somoza recently reconfirmed that he intends to stay in power until 1981.

The history of U.S. relations with Nicaragua is very revealing. From 1912 through 1933 this country was occupied by American troops, who were maintaining "political stability" there; "American marines 42 years ago," NEWSWEEK recalled on 1 January 1979, "put the Somoza family into power."

Currently holding the post of president and commander of the National Guard, Anastasio Somoza, Jr., combines unchecked political power with unchecked economic power: he owns stocks of more than 100 companies and has enormous personal wealth. However, U.S. monopolies hold the decisive positions in the Nicaraguan economy. They control 80 percent of the economy of the country: the production of cotton, coffee, sugar cane and meat, as well as the timber resources and tuna fishing are in their hands. Moreover, the geographic location of the country is of great importance to the United States: only in Nicaragua do the conditions exist for the building of a canal similar to the Panama Canal.

The Somoza regime is supported by the bayonets of the so-called National Guard, which in practice is the personal army of the dictator and is fully equipped by the United States. The National Guard officers and soldiers are trained in the United States and at its bases in the Panama Canal Zone; the United States maintains in Managua a group for providing military assistance and is granting Somoza credits for military purchases.

In the country the dictator in practice does not have any significant social support. Even the national upper bourgeoisie is now openly opposing him.

In the past two years the struggle of the Nicaraguans has intensified. Its vanguard is the Sandinista National Liberation Front (FSLN),¹ which during the 1970's attempted several times to rid the country of the dictator. However, in 1977 the FSLN declared that it was beginning "a decisive struggle to overthrow the bloody regime of the Somoza family," so as to hold "the first free elections in Nicaraguan history."

Many members of the U.S Congress, prominent political and cultural figures of Latin America are insistently calling on Washington to halt all political and economic support of the dictator. However, the administration states that aid is a lever, by means of which it reckons to influence Somoza for the purpose of "improving the situation in the area of human rights." Washington did not agree even to the cancellation of the annual military aid in the amount of \$3.1 million. On 23 June 1977 the House of Representatives of the Congress rejected an amendment which called for this step. Moreover, in 1977 the United States agreed to sell to Nicaragua arms worth \$2.5 million, granting credit for this on the grounds that, as Congressman J. Murphy stated, the regime existing in Nicaragua had never refused to carry out the orders of Washington.

1. Augusto Cesar Sandino is the national hero of Nicaragua. From 1927 he headed the armed revolt against the American occupation. In 1934 he was perfidiously killed by A. Somoza, Sr, the father of the current dictator.

In January 1978 there arose a new wave of demonstrations against Somoza, which was provoked by the murder of opposition leader Pedro Joaquin Chamorro, in which the dictator and his closest assistants were involved. From 23 January through 7 February the first general strike in 42 years took place in Nicaragua, during which the traditional conservative party (the only legal opposition group) suggested that Somoza resign. In response the dictator threatened to declare the party illegal. He declared that he would not leave office until the 1981 elections, when (as everyone in Nicaragua knows) he intends to make his son president. A bloody ruthless war up to the bombing of cities by aircraft was launched against the population of the country. It became more and more difficult for Washington to ignore the influence and strength of the opposition and the flagrant violations of human rights in Nicaragua.

However, while the dictatorial regime was dealing with its opponents using arms purchased in the United States and troops trained there, the Washington administration merely expressed the wish that Somoza would give the Nicaraguan population "more political freedoms" and "would keep his word" to hold "free elections" in 1981. In May 1978 the Carter administration decided to grant the Somoza regime the nearly withheld aid in the amount of \$12 million. As THE WASHINGTON POST noted in this connection, Somoza, while holding key positions in the economy of the country, "cannot but gain personally" from American aid programs to Nicaragua. Consequently, the United States has in fact granted the dictator assets.

The dictator himself during that time was received twice in the United States (on 30 May and 22 June 1978). In order to enlist the aid of the U.S. Government in the future as well, he claimed that "a communist conspiracy has been organized" against Nicaragua and in the case of his overthrow the communists would come to power in the country.

In the middle of July 1978 Washington made a direct gesture in support of Somoza. President J. Carter sent the dictator a personal letter, praising him for the promise to improve the situation in Nicaragua in the area of human rights. When information on new crimes of the National Guard began to be received from Nicaragua, the United States attempted to put pressure on Somoza in order to force him to moderate the regime and to enter into talks with the opposition. The response to this was a cynical statement of Somoza (in a NEW YORK TIMES interview): "I do not think that the United States would have enough determination to ask me to resign."

In August-September 1978 the Sandinistas seized the National Palace in the center of the capital. Having taken deputies of congress and high-ranking government officials as hostages, they achieved the fulfillment of their demands, particularly the release of 59 political prisoners and the opportunity to leave Nicaragua with them. Immediately after these events an association of the 15 leading opposition parties and groups appealed to the country for a general strike, which began on 25 August.

Mass demonstrations, clashes of the population with troops and armed revolts of the Sandinistas, who took under their control an extensive area of the country, including the second largest city--Leon--occurred throughout the country.

The Somoza regime was on the verge of falling. To suppress the revolt the dictator sent in the National Guard and mercenaries, among whom were former servicemen of the Saigon army and Cuban counterrevolutionary emigrants. Military advisers from the United States instructed the members of the punitive expedition. During September the troops of the dictator with U.S. support and direct aid of the neighboring reactionary regimes (Guatemala, El Salvador, Honduras), having wiped out more than 2,000 people, achieved a military victory over the guerillas and established a regime of ruthless terror in the country.

But the opposition did not halt the struggle. It declared its determination to gain the resignation of Somoza and the transfer of power to the hands of a temporary government until the holding of elections. The entire country is demanding this. As FSLN representative M. Castenedo stated, "there is no civil war in Nicaragua, a struggle of all the people is being waged against the dictatorship, which does not enjoy any support."

During the period of Somoza's September reprisals against the insurgent people the United States took a wait-and-see position. It was clear that the continuation of the policy of open support for the antipopular regime would compromise the administration. But the spectre of a "Marxist government" so frightened U.S. ruling circles that, as THE WASHINGTON STAR wrote, "the United States will perhaps have to review the question of intervening" in the Nicaraguan events.

However, Washington decided not to intervene militarily. At the same time during the first half of September it also deliberately did not take positive steps on settling the situation in Nicaragua, waiting for the moment when Somoza would gain the upper hand over his opponents. The most "categorical" statement of the United States during that time was the appeal to the dictator "to discipline your guard" and "to control its actions," while the State Department expressed anxiety about "reports on acts of brutality, the number of which is increasing."

The American Government justified its position by "the principle of non-interference." This slogan, which was presented as a departure from previous U.S. policy in Latin America, was used in practice to avoid condemning the repressive regime, without ceasing in so doing to give it aid, that is, in practice Washington was not even considering ceasing its interference in the domestic affairs of Nicaragua.

In the middle of September 1978 the United States appealed to Somoza and "all interested parties" to consent to the mediation efforts of the OAS countries, as well as supported the proposal of the opposition organizations on a cease fire. In late September U.S. Ambassador to Panama W. Jorden

was instructed to meet with representatives of Costa Rica, El Salvador, Honduras, Guatemala, Mexico and Venezuela for consultations on the question of a settlement in Nicaragua. At the same time the United States also approved the idea of convening a conference of the OAS to elaborate joint actions. However, as Venezuela President C. Perez stated, Washington was delaying the OAS session, waiting until Somoza had taken revenge.

One of the FSLN leaders, D. Ortega, characterized the position of Washington as follows: "When the fighters of our front, who are supported by the people, seized four cities and had strong positions against Somoza and his National Guard, the U.S. Government... did not give any help to the people. On the contrary, it helped the tyrant to assemble forces and launch a counterattack. Only then did the mediation commission appear, in order to become a screen for U.S. interference in the affairs of Nicaragua with a single purpose: to maintain the present regime at whatever cost--with or without Somoza."

Not without reason was THE NEW YORK TIMES forced to note: the Somoza regime is being maintained only with the open or tacit support of Washington.

Thus, once again the United States was not slow in coming out in Latin America on the side of a repressive dictatorial regime, making null and void its statements concerning its willingness to be guided in relations with Latin American countries by the principles of the respect of sovereignty, noninterference and the defense of human rights.

7807
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LEASING IN THE U.S. ECONOMY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 95-103

/Article by S. Yu. Medvedkov/

/Text/ In the 1970's on the world market of machinery and equipment one of the new forms of selling products--leasing (rental) operations--has undergone rapid development.¹ At present they are being used extensively by companies of the United States and other capitalist countries in the sale of goods on domestic and foreign markets; in recent years leasing has begun to be used more and more extensively in the economic cooperation of economic organizations of the USSR and other socialist countries with firms and organizations of the capitalist states.

Objective factors, which are directly connected with the laws and peculiarities of the development of scientific and technical progress at the present stage, are at the basis of the rapid introduction of leasing operations in marketing. Above all there should be attributed to them, first, the acceleration of the rate of the updating of equipment and technology and, as a result, the shortening of the term of obsolescence of equipment with a one-time increase of the gap between it and the period of complete wear; second, the increase of the differentiation in the products being produced and the rise in the demand for the /temporary/ /in boldface/ use of highly specialized equipment; third, the complication and increase of the cost of servicing advanced equipment, which limit the opportunities for the performance of these operations by the consumer himself; fourth, the expansion of the nomenclature of the types of machines and equipment entering the market, which are similar in their technical and cost parameters, and, as a result of this, the aggravation of the problem of the rational choice by the consumer of the item most suitable for him. All these and several other factors are creating the basis not only for the development of leasing on capitalist markets, but also for its introduction in the economic practice of socialist enterprises.

In Soviet literature this type of operations of capitalist firms has not yet been completely analyzed; there are "blanks" also in the study of the

mechanism of the new forms of leasing transactions.² The most typical features of this area of modern business of American companies are examined in this article.

The Essence and the Main Forms

In American economics literature leasing is usually understood as the renting of physical assets (usually machinery . i equipment) for temporary use with payment for the consumed value, the services of the lessor and interest. The payment is usually made monthly or quarterly, less often annually. Thus, on the surface leasing is analogous to traditional renting. However, unlike the latter, it has acquired a number of specific features.

Thus, whereas in the case of traditional renting the return of the rented property to the lessor after the expiration of the rental period is obligatory, in the case of leasing an option (the opportunity for the lessee to buy) is often stipulated; moreover, the offering of machinery for leasing, as a rule, is carried out not by its owner (or producer), but by a financial institution (for example, a bank), by a specialized leasing company and so forth. Further, whereas the main "usefulness" of traditional renting consists in the opportunity to meet the temporary needs of the renter for some equipment or other, in the case of leasing the lessee also has the opportunity to ensure the maintenance of the equipment being leased, payment by installment and advantageous conditions for repayment of the debt, the opportunity to acquire ownership of the equipment upon expiration of the leasing period, the opportunity to take advantage of government tax credits and depreciation allowances. Moreover, unlike traditional renting, at present not only movable property, but also many types of immovables are being leased; there stands out, for example, the practice of leasing industrial enterprises which are completely equipped for production.

As to the machinery and equipment, for which leasing operations are carried out, they can conditionally be divided into three main groups: 1) office equipment, computers, punchcard and sorting machines, copying equipment and so forth; 2) transportation equipment; airplanes, helicopters and airport equipment; trucks and passenger cars; railroad cars; ships; containers and others; 3) industrial equipment, which is used in machine tool building, power and electronic machine building, road construction, in light industry, warehousing services and so on.

American practice shows that practically all types of machinery can be leased. For example, one of the leading banks in the area of its financing, Bank of America, offers its services in financial and other types of leasing for more than 250 types of means of production, transportation, office equipment and others.³ There are also practically no limits with respect to the extent of the value of the equipment. Thus, for Itel and several other specialized equipment leasing companies (usually capital equipment) the minimum value is \$50,000, while the maximum is \$100 million and more.

The leasing of computer, printing and copying equipment and motor vehicles has become most widespread in the United States—here it has now become one of the main forms of the sale of products. Thus, in 1975 about 15 percent (by value) of the computers, as against 10 percent in 1972, were supplied to American firms by way of leasing⁴; for IBM this indicator is even higher and in the 1970's is about 60 percent to the total volume of shipments of computers. "Leasing and the vast pool of computers for leasing of this form..." DATAMATION magazine wrote, "was the financial basis which helped IBM achieve and maintain its dominant position in the computer industry."⁵ It also pertains to the activity of another monopoly—Xerox—which won leading positions on the world market to a considerable extent owing to the extensive introduction through leasing of its printing and copying machines. Short-term and intermediate-term leasing of production equipment and especially long-term leasing of immovables play a relatively smaller role in marketing. The varying degree of "popularity" of leasing by the individual groups of machinery is connected with the different rates of their obsolescence, the different degree of complexity of servicing them and the different degree of monopolization of the market. All this directly affects the consumer's choice between purchasing and leasing.

As to the types of leasing operations in the practice of American companies, the main differences between them consist in the range of rights and obligations of the parties according to the contract, the leasing periods, the number of participants and so on. The most wide spread type is /operating//in boldface/ (short-term) leasing, which in many ways is similar to traditional renting. Its essence consists in the rental of equipment for a period which is significantly less than its total service life. Accordingly the rental payments only partially offset its basic cost, and upon expiration of the term of the contract the equipment is leased out again, usually to a different lessee. The lessor, as a rule, bears all the obligations on the maintenance, repair and insurance of the equipment. Operating leasing is used above all with respect to equipment with a high rate of obsolescence (for example, computer equipment), as well as in instances when the lessee has only a temporary need for some type of equipment or another (means of transportation). One of the characteristic traits of operating leasing is the availability of a developed market of partially worn out equipment.

Unlike operating leasing, /financial/ /in boldface/ leasing until the 1960's was virtually not used and has become widespread only in the past 10 years. Its specific trait is that in fact it is a form of the sale of equipment on credit. However, unlike the latter, the ownership passes to the consumer only upon expiration of the leasing period (the agreements usually stipulate the lessee's option to purchase), the period of "leasing credit" (repayment of the debt) can be 1.5-2 times longer than the term of conventional intermediate-term commercial credit, in some cases reaching 30-40 years, while the specific system of rental payments makes it possible to repay the debt uniformly over the entire period. Unlike operating leasing, the lessor does not bear obligations for the maintenance and insurance of the equipment, while the rental payments, as a rule, completely offset

the cost of the equipment, therefore its leasing again is usually not used.

Operating and financial leasing are the two main types of operations which are practiced in different variations. In this case many types of transactions are differentiated, among which the most widespread are "true leasing," "pure leasing," "tax shelter leasing," "leasing with additional services," "lease back" and "discrete" leasing and others.⁶

The Causes and Trends of the "Leasing Boom"

The typical traits of the sharply accelerated process of developing leasing operations in the United States are, first, the qualitative changes in their nature and, second, the considerable absolute increase of such transactions. Although, as some American economists claim, by the early 1950's the use of leasing as a means of financing the purchases of equipment by American firms covered practically all types of "investment goods," only in the 1960's and especially in the 1970's was leasing firmly established as one of the main forms of the sale of equipment on the American domestic market. Not only the absolute expansion of the group of objects of leasing operations, but also the shift of the accent in this area to the financial and credit aspect of the transactions occurred precisely during this period. Thus, in the past decade the previously rarely used form of financial leasing—"discrete leasing," which is based exclusively on obtaining financial advantages as compared with purchasing—became widespread everywhere in various sectors of the economy. The author estimated that about half (according to the value) of all the leasing operations in the United States currently fall to "discrete leasing" (see Table 1).

Table 1

Dynamics of the U.S. "Leasing Market" (value of fixed capital being leased; estimated data)

	1972	1973	1974	1975	1976	1977	1980*
Value, billions of dollars.	49	60	70	80	100	115	150
Growth rate, percent							
annual	---	22	17	14	25	15	30
average annual . . .			(1972-1976)	19.5			
			(1972-1980)	15.0			

* Forecast.

Calculated on the basis of the data of FORTUNE, November 1973, p 136; FORBES, 15 January 1975, p 42; FORTUNE, November 1976, p 50; AAEL NEWS BULLETIN, 6 December 1977, p 10.

The causes of the rapid development of leasing are connected with the peculiarities of the development of the American economy in the past 10-15 years and with the changes in the conditions of reproduction and state monopoly regulation in the United States. /First/ /in boldface/, as was noted, during the era of the scientific and technical revolution the rates of the updating of products and their obsolescence speed up considerably. In connection with this for the companies consuming the products of technologically dynamic sectors the problem of the operational replacement of equipment by more improved, technically advanced and productive equipment becomes ever more urgent. And the higher the rate of appearance of new models is, the greater the gap is between the periods of the obsolescence and the complete wearing out of the equipment. As a result, the owner of the obsolete equipment not only does not have time to completely amortize its cost, but also is faced with serious problems when selling it on the used equipment market, where he has to sell it at a price which is many times less than its real value. The refusal to replace equipment often ends in losses in production efficiency.

Under these conditions leasing (above all operating leasing) is becoming a means of escape for many companies which use machinery with high rates of obsolescence. It makes it possible to use the equipment up to the appearance of a new, improved model, after which the lessee can return the obsolete model in exchange for the new model. The lease payments during the term of the first lease usually exceed somewhat the amount of the consumed value and the normal profit of the lessor (the markup for the novelty and the modernity of the item). However, such an excess is usually recovered owing to the constant use of the most productive models by means of their periodic replacement.

A typical example of this situation is the computer equipment market in the United States, where operating leasing has turned into one of the main methods of marketing: the rapid progress of the technical characteristics of computers with a relatively slower increase of the prices for new models is making the ineffectiveness of purchasing more and more obvious for a number of companies. Thus, in 1975 only 40 percent of the installed central processors of IBM/370 series computers were realized through sales, while 60 percent were leased. The policy of the very producers of technically advanced equipment also frequently promotes its acceleration. The same IBM, for example, is deliberately speeding up the changeover of models, thereby convincing clients of the preferability of leasing. In the opinion of DATAMATION, precisely this may explain the rapid replacement--only two years after their output--of the 370/155 and 370/165 computer systems by the improved 370/158 and 370/168 systems.⁷

/Second/ /in boldface/, scientific and technical progress is facing the consumer with the serious problem of using advanced equipment effectively. Its solution largely depends on the high-quality maintenance and repair of the equipment. However, owing to the complication of the equipment its owners--be it a company or an individual--often are not able to do this by themselves. The use of leasing enables the lessee to free himself in

practice from all such obligations. Thus, the leasing contract can contain the obligations of the lessor: a) to perform entirely the maintenance and repair of the equipment; b) during the entire (and not only the warranty) period of leasing to eliminate the flaws which have arisen through the fault of the manufacturer (bugs in the design, poor execution and so on) up to the replacement of the equipment; c) to guarantee during the leasing period its specific productivity. Moreover, if the lease payments are calculated depending on the productivity of the equipment or on the intensity of its use, the lessor-manufacturer himself becomes interested in maintaining the equipment in the proper condition.

/Third/ [in boldface], an important condition of the increase of leasing operations is the progressive shortage of capital on the American financial market, which affects most acutely the situation of medium-sized and small companies.⁸ As a result of the fact that the traditional sources of financing were in practice closed to many companies, an ever increasing number of small and medium-sized firms were forced to turn to the leasing of fixed capital, becoming more and more financially dependent on leasing companies--affiliates of the largest banks and industrial monopolies. Many major corporations have also begun to use leasing more actively: at present, for example, the majority of corporations on the FORTUNE 500 list are a party to such operations in one form or another. Of course, for the monopolies leasing does not threaten the loss of independence.

The problems of the accelerating obsolescence of machinery and the shortage of free capital for financing, which face U.S. firms, are closely connected with the broader problem of the market. Under the conditions of intensifying competition and the struggle for the consumer the success of one item or another on the market now depends not only on such basic factors of competitive ability as price and quality, but also more and more on the ability of the salesman to offer the customer a number of accompanying services and conveniences. For many companies leasing was just the means, through the use of which it was possible to increase considerably the effectiveness of the marketing policy, since with the realization of an item through leasing the lessor is afforded the opportunities a) to enlarge significantly the group of customers, including in it the companies (individuals) which do not have sufficient capital to purchase the item, which do not need the long-term (until complete amortization) use of the item or which are afraid to purchase a new, unfamiliar item; b) to smooth out the negative consequences of fluctuations in market conditions by long-term relations with the consumer and the constancy of the lease payments; c) to use the servicing of the leased equipment for detecting in operation its production and design flaws and for ensuring the great efficiency of its use by the lessee, and thereby to actively increase its competitive ability; d) under the conditions of overproduction to recover at least in part the invested capital, which otherwise would be completely frozen.

The absolute increase of leasing operations in the United States is being accompanied by the complication of the structure of this sphere of activity and by the development of its individual sectors, which specialize in the

performance of a quite definite group of functions connected with leasing. Since it has now been transformed into a quite complex system of financial and commercial operations, now, as a rule, not only the manufacturer and user of the given equipment, but also various intermediate leasing service firms, financial leasing companies and leasing brokerage firms are participating in them.⁹ Although there are several hundred such specialized firms in the United States, the leasing affiliates, which have been set up and are controlled by the largest industrial and banking monopolies, hold the dominant positions.

Thus, such leaders in their sectors of the economy as (Solomon Brazers); Dillion Read; Kidder, Peabody; Morgan, Stanley (investment banking); Citi-corp, First National Bank of Chicago, Manufacturer's Hanover Trust (commercial banking), Ford Motor, Chrysler (automotive industry), Greyhound (transportation) and others are represented among the 25 leading (according to the value of the leased equipment) leasing companies, to which, according to the author's estimate, falls about 40 percent of the U.S. leasing market. A number of industrial monopolies carry out leasing not through their affiliates, but by means of independent firms on the basis of the corresponding agreements, that is, they realize their products through leasing in much the same way as conventional marketing through dealer companies.¹⁰

The rapid growth of the role of banks in the past 10 years has become one of the most typical trends in the leasing business. In the first half of the 1970's one American bank in five with assets of more than \$100 million was engaged in "direct" leasing alone, when the bank is the lessor, while the total number of banks carrying out leasing operations exceeded 500. During 1971-1974 alone the annual amount of bank financing of direct leasing increased nearly 3-fold--to \$2.4 billion (see Table 2). According to estimate, in the mid-1970's the proportion of banks on the leasing market was about 20 percent (disregarding their indirect participation).

Table 2

Dynamics of Operations of Banks on "Direct Leasing"

	1971	1972	1973	1974
Value of machinery and equipment leased by banks, billions of dollars.	0.89	1.1	1.6	2.4
Annual growth rate, percent.		23	45	50

Calculated according to: FORTUNE, November 1973, p 136; AMERICAN BANKER, 17 April 1975, p 3.

Along with the general motivating forces of the development of leasing, which were examined above, the active introduction of banks in this sphere of business is also determined by a number of specific causes. First, in accordance with a decision of the Comptroller of the Currency in 1963 banks were permitted to lease their own property, that is, to perform the role of

lessors; and when in the late 1960's and early 1970's an acute shortage of liquid assets arose among American companies, the banks were not slow to take advantage of this right and began to lease equipment. Second, according to American legislation banks do not have the right to grant credits to a single borrower in an amount exceeding 10 percent of their authorized capital, while such restrictions do not apply to leasing. Third, since a number of types of leasing operations (above all financial and discrete leasing) are by form variants of the extension of credit and financing is their main content, banks are becoming a necessary party to the organization and fulfillment of leasing projects. Today virtually no fairly large leasing transaction can get by without the direct participation of banks, which act here both as creditors and as agents.

Thus, under the current conditions of the American economy the main advantages of leasing have assumed an especially great importance, and the leasing business has been turned into a profitable sphere for investing loan capital. Here federal tax policy, which created a favorable climate for the growth not only of leasing in general, but also of its specific forms in particular, played an important role in its development.

Tax Policy

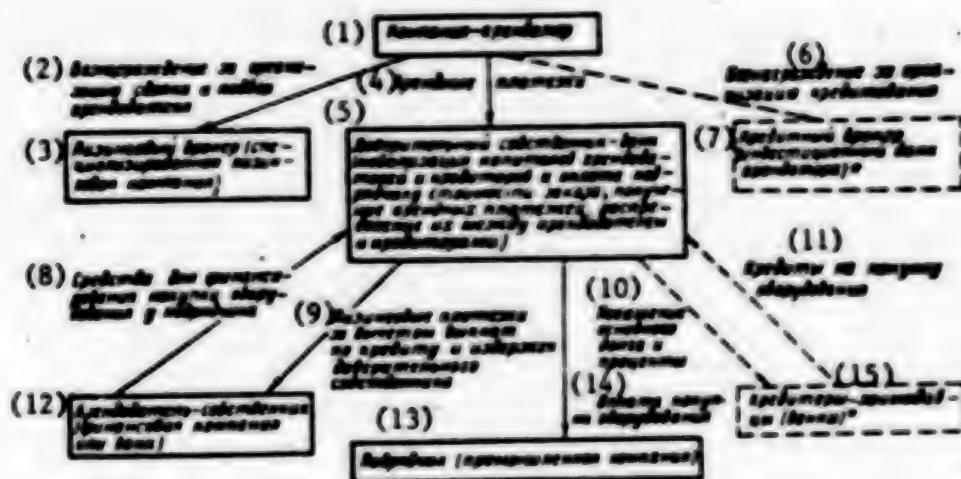
For companies turning to leasing for fiscal reasons, the current system of taxation in the United States affords opportunities to receive three basic types of tax credits. /First/ /in boldface/, as a result of accelerated depreciation, which is calculated not on the basis of the service life of the leased equipment, but on the basis of the term of the leasing contract, the owner lessor can obtain a postponement of tax payments. /Second/ /in boldface/, it has the right to a tax credit for investments in the amount of 10 percent of the cost of the equipment. /Third/ /in boldface/, since lease payments are regarded by the tax laws as current expenses, they can be exempt from taxation; this also pertains to the payments by the owner of interest on loans.

Here it is necessary to emphasize the following. Although tax credits are also granted in the case of the purchase of equipment on conventional conditions of financing, the amount of these credits depends directly on the amount of the profit received by the buyer company; the higher the taxable profit is, the smaller the gain of the buyer from taking the credits, and the seller does not take part in receiving them. On the contrary, in the case of leasing all the breaks--both tax and depreciation--apply to the lessor company, while the level of the profit of the lessee using the equipment does not play a role. Taking advantage of these features of the American system of taxation enables the parties to the leasing deal to increase significantly the rate of return on the invested capital.

American statistics do not make it possible to determine the scope of the use of leasing for obtaining tax credits. Nevertheless practice shows that a considerable portion of the leasing deals are concluded precisely for this purpose. And all the parties to the deal gain from taking advantage

of the tax credits. Thus, the lessor receives all the tax credits which the lessee usually could not receive when purchasing the same equipment; in this case the lessor also gains, since, taking these credits into account, the lessor can reduce substantially the leasing rates which in a number of cases are one-half to two-thirds as much as the interest rates for conventional credit.

Basic Diagram of the Organization of "Discrete" Leasing



Key:

1. Lessee company
2. Remuneration for organizing the deal and selecting the lessor
3. Leasing broker (specialized leasing company)
4. Lease payments
5. Authorized owner bank
(mobilization of capital of the lessors and creditors and payment of the cost of the order to the contractor; receipt of lease payments, their distribution between the lessor and the creditors)
6. Remuneration for organizing the extension of credit
7. Credit broker (investment bank of lessee)*
8. Capital for financing the purchase of equipment from contractor
9. Lease payments less charges for credit and costs of authorized owners
10. Repayment of principal and interest
11. Credits for purchase of equipment
12. Owner lessor
13. Contractor (industrial company)
14. Payment for purchase of equipment
15. Creditor lenders (banks)*

*These banks can take part in organizing "discrete" leasing on large-scale projects, when it is necessary to attract additional capital for financing the deal.

The main parties to long-term leasing contracts of major enterprises, the value of which ranges usually from several tens of millions of dollars to \$200 million (and sometimes more), the functions of the parties, as well as the principle of the distribution of the remunerations among them are designated in the standard diagram of the organization of discrete leasing, which has been inserted here. Major leasing projects were drawn up in the United States according to this diagram: in 1972 the leasing of a plant for the production of aluminum by Anaconda, at a cost of \$138 million for 20 years with a purchase option at the end of the leasing period; in 1974 the leasing of an electric power station and electric power transmission lines in North Dakota at a cost of \$280 million for 30 years; in 1976 the leasing of an electric power station by Arizona Public Service at a cost of \$55 million for 25 years; one of the latest examples is the leasing in 1977 of five Boeing 727-200's by Western Airlines at a cost of \$56 million for 15 years. In all these projects the main motive was the receipt of considerable tax credits.

The same examples attest to how great the advantage can be owing to these credits in the case of discrete leasing as compared with credit purchasing. Thus, the leasing of the plant by Anaconda will yield, according to the estimates of its directors, a total saving as compared with purchasing of more than \$70 million; according to plan for leasing an electric power station by Arizona Public Service--\$37 million.¹¹ If this economic impact is compared with the cost of the enterprises (disregarding the payments for credit and others), it will become clear that in the first case the saving is about 50 percent of the cost and in the second case--67 percent. Of course, not every deal on discrete leasing yields such an impact, but even a saving of several percent of the cost of a project retains for the lessee in the case of large deals millions of dollars, the greater part of which would be spent in the form of taxes.

In striving to obtain considerable tax credits, more and more American companies are artificially disguising traditional buying and selling deals with paying in installments under leasing agreements. And this practice began to develop especially rapidly after the increase of the investment tax credit from 7 percent to 10 percent (1976). The imperfection, rather, the loopholes in the American system of taxation, which, in spite of the fact that the rules on applying credits to leasing deals were made stricter (1975), serve as before as a source for maximizing the profits of corporations, are promoting in many ways the sharp upswing of essentially fictitious leasing operations.

Foreign Operations

In the past five years convincing grounds have appeared to presume that the leasing boom is ceasing to be an exclusively American phenomenon and is spreading in several other countries. Thus, the value of the leased machinery in Western European countries increased in 1977 as compared with 1976 by 17 percent (in the United States, according to estimate, by 15 percent).¹² In the economy of Great Britain the total value of the machinery being

leased increased 4.6-fold during the period from 1972 through 1977, while the value of the /annually/ /in boldface/ leased machinery increased 5.2-fold, being at present about 8 percent of the investments in fixed capital.¹³ As to the development of leasing operations in the other countries of Western Europe, in spite of the high rate of increase in recent years, they are still inferior according to their role in the economy to the operations not only in the United States, but also in Great Britain. Thus, the proportion of the machinery (by value) purchased under leasing conditions in the investments in fixed capital in 1976 was on the average for the countries of Western Europe only 3 percent (the United States--14 percent, Great Britain--7 percent).

The rapid increase of the machinery and equipment leasing operations in Western Europe and the very favorable prospects for their expansion in the economically developed capitalist countries did not go unnoticed by U.S. leasing monopolies. Utilizing their own network of affiliates abroad, the gained experience of performing leasing operations in the United States, as well as their superiority in financial resources, American industrial, and in recent years especially banking and specialized leasing corporations have intensively developed the practice of leasing outside the United States. American statistics do not publish the /overall/ /in boldface/ data on these operations. Nevertheless it is possible to judge their scale from the available data on the foreign operations of several leading leasing corporations. Thus, Citicorp Leasing, a subsidiary of First National City Bank, is considered the largest international leasing company, whose share of the foreign operations of this type is about half of the total volume of operations.¹⁴ Citicorp Leasing has its own affiliates and divisions in Canada and 10 other countries, including the leading countries of Western Europe and Latin America. In 1977 this company took part in the financing of the largest deal in the entire history of leasing in Great Britain with a total value of 70 million pounds. Another leader in the leasing business--the largest specialized U.S. leasing company, United States Leasing International--has foreign affiliates in 13 countries of the world; one of its leading foreign affiliates--Mercantile Leasing in Great Britain--now holds second place among English leasing firms in the total value of leased equipment.¹⁵

Leasing has also begun to be used actively by American companies in foreign trade operations. Thus, in the middle of the 1970's American-made equipment with a total value of about \$15 billion, that is, half of the total volume of the foreign equipment leasing market in the countries of Western Europe, was being leased by Western European companies. In some cases U.S. firms are turning to foreign leasing as an alternative of foreign trade operations with machinery and equipment. The decision made in mid-1977 by Eastern Airlines to lease for six months four A-300 airbuses of French-West German make for the purpose of testing them under the conditions of daily operation can serve as one of the latest examples. The results were favorable, and in 1978 the management of the company decided to acquire in addition to these four planes another 28 European-made planes, and a version of their "discrete leasing" is being examined as a possible

alternative. If this version is adopted, the deal with a value of \$800 million might become the largest in the history of the world practice of machinery and equipment leasing.¹⁶

In recent years a number of leading American industrial companies and banks have shown an interest in arranging leasing operations in the economic co-operation with the foreign trade organizations of the Soviet Union and other socialist countries. The problems and prospects of using leasing in USSR-U.S. trade were the subject of a detailed analysis in a special sub-committee on financial leasing of the American-Soviet Trade and Economic Council.

Of course, far from all the forms of leasing operations being practiced by U.S. firms are acceptable for use in Soviet-American cooperation. Some forms are unsuitable owing to their specificity, which stems from the peculiarities of the American leasing market (for example, deals which are aimed exclusively at obtaining tax and other breaks and are in essence fictitious leasing), others are unsuitable because of the fundamental differences in the economic mechanism of the two countries (leasing agreements which call for the control of the foreign lessor over the activity of the enterprise acquired under the conditions of leasing or other actions which may come into contradiction with the socialist principles of management). The discriminatory trade and credit policy of the U.S. administration in respect to the Soviet Union is substantially checking the development of leasing in Soviet-American cooperation.

Nevertheless the diversity and flexibility of the various types of leasing operations, the wide range of advantages of leasing as compared with other forms of marketing and, finally, the gained wealth of experience and the interest of U.S. leasing firms in the development of this form of cooperation with Soviet organizations are creating real conditions for the transformation of leasing into an effective means of developing the economic cooperation of the USSR and the United States.

FOOTNOTES

1. There are no overall data on their increase. But, as is shown by the statistics of the United States and England, where leasing is most widespread, the rate of increase of the value of leased machinery and equipment considerably exceeds the rate of increase of the investments in fixed capital. As a result the proportion of leased equipment in the total amount of investments, which has already reached 15 percent in the United States and 8 percent in England, is increasing.
2. An analysis of the individual forms of leasing as applied to specific commodity markets is contained in the market surveys and other publications of the Scientific Research Institute of Market Research. One of the latest works is the article of A. Belov, "Leasing in Foreign Trade." See VNESH-NYAYA TORGOVLYA, No 5, 1977.

3. THE WALL STREET JOURNAL, 14 June 1977.
4. FORTUNE, November 1976, p 64.
5. DATAMATION, July 1975, p 80.
6. The term /true leasing/ /in boldface/ is used in U.S. legislation when granting tax credits (see below). /Lease back/ /in boldface/ stipulates the sale by the initial owner of equipment to a lessor with the simultaneous leasing of this equipment under the conditions of financial leasing. In the case of /pure leasing/ /in boldface/ the obligations connected with the use of the equipment fall to the lessee, who is obliged at the end of the leasing period to return it to the lessor in operating condition with allowance for normal wear and tear. /Discrete leasing/ /in boldface/ calls for the participation in the deal of several groups of firms and banks, among which the functions on organizing the deal and financing it, as well as the rights and obligations of the lessor are distributed.
7. DATAMATION, July 1975, p 80.
8. The worsening of the conditions for obtaining borrowed capital with an absolute increase of the demand of firms for capital has become especially noticeable in the past 10-15 years, when the consumption of capital in the United States, for example, during the period from 1965 through 1974, practically doubled, being \$1.6 trillion. Under the conditions of the 1973-1975 recession and the overall instability of the economy during the subsequent years financial institutions have made their credit policy more and more strict, not risking to grant capital to a large number of small and medium-sized companies, and in a number of cases also to some large ones. Thus, according to the estimate of Ford and Sullivan, which specializes in market research, by the mid-1970's only 300 of the largest firms out of the 1,200 leading companies, which have been granted the right to float shares among a broad group of consumers, had an opportunity to advance capital in significant amounts through the sale of bonds and shares or through loans from banks. In the immediate years to come the demand for borrowed capital in the United States is expected to be as high as before: according to some estimates, in 1975-1984 companies will require about \$4.5 trillion for the replacement of fixed capital. In this connection, believes (E. Herman), president of Omnilease Corporation, "leasing companies will become the source through which small companies will be able to obtain the financial capital necessary for capital investments" (FORTUNE, November 1976, p 68).
9. /Leasing service companies/ /in boldface/ are mainly engaged in short-term leasing and offer--as a package or separately--services which eliminate a number of obligations of the lessor or lessee (the purchase of new equipment on the instructions of the client and the sale of worn out equipment, the maintenance of leased equipment, its insurance, the monitoring of the payment of taxes and bookkeeping, consultations and others). /Financial leasing companies/ /in boldface/ carry out banking operations on leasing deals (for example, the extension of credit to the lessee), as well as on

the agreement of the lessee purchase the equipment, register it in its own name and lease it to the lessee. /Leasing brokerage companies/ /in boldface/ "bring together" the potential lessee, the manufacturer and the bank.

10. Thus, on the computer equipment market the functions of the leasing dealer of IBM are performed by Heller-International Corporation, the largest lessor of Xerox photocopy equipment in the country is the Copylease Corporation of America. The manufacturing companies in both cases service the leased equipment.
11. FORTUNE, November 1973, p 136; November 1976, p 50.
12. FINANCIAL TIMES, 25 November 1977, p 8; FORTUNE, November 1976, p 50.
13. "Investment in Leasing 1977," Green and Company, London, 1977, p 3; BIKI, 27 June 1978.
14. In 1973 of the total value of the equipment leased or intended for leasing, which was equal to \$3 billion, nearly \$1.4 billion fell to equipment leased abroad--FORTUNE, November 1973, p 135.
15. In 1977 this indicator was 167.1 million pounds ("Investment in Leasing 1977," Green and Company, London, 1977, p 46).
16. THE WALL STREET JOURNAL, 3 May 1977, p 46; FORTUNE, 16 January 1978, pp 62-63.

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'GROWN-UP' YOUNG AMERICANS OF THE SEVENTIES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 104-106

/Article by L. A. Salycheva/

/Text/ The question about what changes have occurred in the democratic movement, and above in the youth movement, in the United States as compared with the period of the "hectic sixties," continues to attract the attention of the American press. Materials, the authors of which attempt to evaluate the "factors" introduced by the "hectic sixties" into U.S. political life of the passing decade, are being published on the pages of magazines and newspapers.

The majority of authors assert that the former rebels "have calmed down" and "have joined the establishment," while the current activists of the movement for social and racial justice have become "much less radical."

Thus, in March 1978 U.S. NEWS AND WORLD REPORT published a selection of articles under the title "Yesterday's Rebels Grow Up." "After the stormy era, now Americans from 20 to 30 years old," the magazine writes, "are in the mainstream of American life." This magazine wrote about the "decline of student activism" back in 1974, while in January 1975 it stressed that the formed participants in democratic movements have remained almost completely aloof from the struggle and from political and social reality.

As confirmation data are cited which attest that some former activists of the mass movements have begun to seek "consolation" in mystical cults and religion sects; or, on the contrary, have "plunged" into practical activity--have become businessmen or civil servants.

The authors of such publications are striving to convince the readers that in the country everything is peaceful, that the youth movement has petered out.

It cannot be denied that the youth movement in the United States is going through in the late 1970's a different phase which is distinct from the

1960's and the first half of the 1970's: student revolts, strikes, teach-ins, sit-ins and other forms of the struggle have become a thing of the past, the old organizations have disappeared and new ones have appeared.¹ However, to claim that today the new generation of young people, just as the generation of "young adults," is not displaying social activeness, is not participating in various movements which are for social justice, is standing aloof of the most important political questions and processes, means to deliberately mislead the reader.

The facts attest that even today American young people are actively participating in many mass movements. They are against police persecutions for "dissidence," are participating in the movement for the release of the fighters for civil rights, for example, Ben Chavis, for the banning of the neutron bomb, the reduction of military spending and the increase of allocations for education, against all displays of racism; working class young people are coming out actively as one of the driving forces in the struggle of rank and file union members against the reactionary union bureaucracy. Such actions are covered widely and objectively on the pages of the progressive press: in the newspapers THE DAILY WORLD and PEOPLES WORLD and in the magazines SEVEN DAYS, PROGRESSIVE and RADICAL AMERICA.

Many political scientists also recognize the great social activeness of American young people. For example, the well-known scholar D. Riesman, a professor at Harvard University, writes in THE NEW REPUBLIC: "Even now the protest (of young people--U. S.) is continuing (although it very rarely assumes violent forms)...." D. Riesman stresses that the increasing seriousness of students in studies should not be regarded as a sign of their "increasing conservatism."

The authors of the already mentioned survey in U.S. NEWS AND WORLD REPORT are of a different opinion. They believe that the social influence of "young adults" is now determined above all by the size of their income. "Young adult" Americans appear on the pages of the magazine as an ever increasing stratum of well-paid, successful, "brilliant young men and women," who adhere to quite conformist views.

The important characteristics concerning the moods of the generation, its place in society and social role, unfortunately, are mentioned in the magazine only in passing or appear in a tendentious interpretation.

That is the situation with the problem of unemployment, which is not covered in depth in the publication in question. It speaks in passing about the "new situation" on student campuses, about the fact that "people with a doctoral degree in science are working as taxi drivers." Meanwhile the problem of unemployment is a very painful problem, which has been especially aggravated since the beginning of the 1970's, the unfavorable (for the jobseekers) conditions on the skilled labor market will remain for many years to come.

1. See for more detail "Massovyye dvizheniya sotsial'nogo protesta v SSSR v 70-e gody" [Mass Movements of Social Protest in the United States in the 1970's], Moscow, 1978.

Another trait which the magazine touches on is the attitude of young Americans toward work. The articles speak about the "serious changes" which have occurred ostensibly in the attitude of "young adults" toward work: now work is for them not simply "boring work." U.S. NEWS AND WORLD REPORT wants to convince the reader that this was precisely the attitude of young people toward work in the "hectic sixties."

However, it is well known that a negative attitude toward work was typical only of hippies and some anarchist groups of young people. As to the left radicals, they openly expressed their negative attitude toward the pursuit of a profit and of success in a business career as the main goal of life. They were against meaningless, gruelling work, but by no means against work in general. Bourgeois sociologists themselves have frequently stressed that the most talented, best students and graduate students were the activists of the youth movement in the 1960's. On the whole the New Left did much work, participating in various forms of struggle for social justice, and worked unselfishly, on a public basis. The material success even now for "young adults" stands considerably lower on the scale of priorities than 10 years ago, and U.S. NEW AND WORLD REPORT cannot but agree with this.

The magazine notes the increased interest of current young people in the social content, social importance and meaning of their work. "Young experienced lawyers with degrees, without hesitation and without sparing their working time, are taking up socially oriented legal work," it is stated in the selection.

Such are some features toward a portrait of the "young adults" of the late 1970's, which was drawn by the American magazine.

Digressing from the opinions of the authors of this selection, it can perhaps be noted that this is the first generation of Americans which has departed to a considerable degree from the traditional values of the way of life customary for them. New, not typically American and comparatively firm ideas about the meaning of work and life are being born and are growing in the consciousness of this generation.

Many former participants in the democratic struggle of the past decade have remained true to their former ideals and are again trying to achieve positive changes in American society, coming out for social justice. Moreover, whereas in the "hectic sixties" they approached the achievement of these goals via "freedom raids," demonstrations, sit-ins and confrontations, now an outwardly more peaceful way has been selected--the protection of the interests and everyday needs of people in legal offices and in various local organizations. And it is not that the former student radicals have grown up and become moderate liberal, although it cannot be denied that precisely such a transformation is typical of some of them. Many former participants of the democratic upswing realized that cardinal social transformations can be accomplished only as a result of hard work within the existing institutions, "within the system."

On 6 October 1978 Tom Hayden, spokesman of the Chicago Eight,² wrote in THE INTERNATIONAL HERALD TRIBUNE: "Although we are not entirely the 'eight who shook the world,' we have not renounced the struggle. None of us has taken the normal path of life and joined the triumphant system which we all opposed together in Chicago.... The achievements of the 1960's cannot be destroyed, just as we cannot be thrown back to the 1950's."

And in the mid-1970's a very important phenomenon is being observed in the United States--a large number of left-oriented organizations, primarily local organizations which are often headed by "young adults," are emerging. Such, in particular, are the Citizens' Action Program of Chicago, the Local Organizations of Arkansas for Immediate Reforms, Massachusetts Residents for Just Apportionment, the United Citizens' Organization, which appeared in the spring of 1977 in Los Angeles, the Organization of Working Women and others. These organizations not only are waging a specific everyday struggle against the assault of monopolies on the rights of simple Americans, but are also performing much educational work, setting up evening schools for workers and various progressive clubs.

In January 1978 PROGRESSIVE magazine correctly noted the well-known continuity of this activeness with the former civil rights movement and the student movement, which in their times advanced the slogan "participatory democracy."

In order to characterize the generation of "grown-up young" Americans it is especially necessary to note the increase of the influence of young professors and lecturers of economics, sociology and history at colleges and universities, who are not only of progressive, but also of Marxist views. Admissions of this type are contained in another issue of U.S. NEWS AND WORLD REPORT on 6 October 1978.

Among the professional organizations of progressive intellectuals it is possible to name the Union of Radical Political Economists, Scientists and Engineers for Social and Political Action, the Midatlantic Association of Radical Historians, the Committee for the Social Responsibility of Engineering, the Union of Marxist Sociologists and others. These organizations defend the rights of their members as hired workers and are striving to expose the mechanism of the operation of modern American capitalism. It is true that many of their concepts are noted for theoretical weakness and do not go beyond petty bourgeois radicalism, but all the same they criticize bourgeois ideology. The practical work of the members of these organizations is of great importance: they speak out against the firings of progressive lecturers, to a certain extent the terms "socalism" and "socialist revolution," on which a taboo had been placed since the 1950's, are coming into general use now in the United States owing to their publications.

2. The leaders of a youth antiwar demonstration in Chicago in August 1968. During the Democratic Party Convention they were arrested, and were subsequently tried by the legal authorities of the state--editorial note.

Since the mid-1970's a large number of new left-oriented newspapers and magazines, to which mainly "young adults," the former activists of the democratic movements contribute, have been published in the country: WORKING PAPERS FOR A NEW SOCIETY (Cambridge, Massachusetts), SOCIALIST REVOLUTION (San Francisco, California), POLITICS AND SOCIETY (Los Altos, California), MOVING ON (Boston, Massachusetts) and others.

Such is the diverse social, ideological and political activity of the "grown-up young" Americans in the 1970's, for even a mention of which space was not found in the multipage series of articles in U.S. NEWS AND WORLD REPORT. Such activity by no means suits the authors of the articles. Precisely for this reason they attempt even to intimidate the reader, citing the authoritative opinion of specialists who believe that the tendency to reject the traditional bourgeois methods of political struggle and the turn to a struggle through small local groups and organizations are leading to social fragmentation and are absolutely without promise.

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CSO: 1803

CITIES IN CRISIS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 107-108

/Article by N. B. Yaroshenko/

/Text/ The U.S. press has not ceased to write about the crisis of American cities, drawing pictures one more gloomy than the other. A considerable share of these materials concerns New York, the central blocks of which are in a state of unbelievable decay. As THE NEW YORK TIMES notes, one of the regions of the city, the South Bronx, is "a ruin which is reminiscent of lunar landscapes and has been abandoned even by the rats."

The press of many countries of the world is writing about this decay. The English weekly THE ECONOMIST in a collection of articles devoted to New York tells about "streets which are literally rotting and decaying," about buildings "which have been burned out completely inside" as a result of fires, about city residents who abandon apartment buildings. "The bridges are falling into decay, the roadways are falling into disrepair, the road-beds, on the repair of which minimum amounts are being spent, are breaking up everywhere. The story of New York, told in the language of newspaper notices, is the story of its bankruptcy," the magazine concludes.

The housing of the largest American city is falling into decay. The mentioned magazine writes that for hundreds of apartment houses of the Bronx "the formula of decay" is as follows: poor people, who have been reduced to despair by inflation, are not able to pay the rent. The owners of the housing, in not receiving it, do not repair the apartment houses and do not pay for heating, and then "winter sets in. Escaping from the cold, the inhabitants abandon the apartment houses. And they remain vacant. But not for long. Soon they become easy prey for professional vandals, who remove from the buildings everything possible that may be of some value.... After a while these buildings begin to serve as a haven for drug addicts, alcoholics and tramps," until an inevitable fire occurs. The owner receives compensation, while city housing loses another apartment house, in which people could have lived. According to the testimony of THE ECONOMIST each winter this fate befalls 15,000 apartments in the Bronx alone and on the

order of 40,000 throughout New York. In the past 10 years 300,000 apartments have fallen into disrepair, and since 1965 so many apartment houses have been abandoned that it would be possible to house in them all the residents of Buffalo or the cities of Albany, Syracuse and Yonkers taken together.

After lengthy debates in the summer of 1978 a final agreement was reached on giving New York financial aid in the amount of \$2.6 billion for the next four years. But, taking into account that the city greeted fiscal year 1979 with a deficit of \$400 million, the press called this decision a palliative one, which is merely postponing for several years the inevitability of a financial crash....

Too high taxes and a catastrophically increasing budget deficit and, on the other hand, the inability to provide residents with the basic municipal services--this is the reality of many of the largest American cities.

Here is what THE NEW REPUBLIC, for example, writes about the fate of Detroit: a half-hour walk through its regions is enough to become convinced that this giant, the oldest city in the Midwest, is faced with insoluble economic difficulties. "The signs of decay are visible everywhere--broken panes and windows sealed with paper, roofs requiring repair, boarded up store windows. One comes across entire blocks which are suitable only for demolition, piles of garbage, vacant lots overgrown with weeds are around.... These regions look like they were bombed.... A deserted city. A gloomy picture...."

The amounts being allocated by the government to aid the cities are small, but against the background of a record high military budget they are simply ridiculous. Not without reason is the urban program of the Washington administration being sharply criticized. "Even Detroit Mayor Coleman Young, a long-time supporter of Carter, complained that it is 'outrageous,' as he expressed it, to increase defense spending and at the same time to place the burden on the shoulders of the people," THE WALL STREET JOURNAL, in particular, reports.

Cleveland, a city which has traditionally been proud of its celebrated symphony orchestra, its first-class museum of arts and other cultural institutions, has also not avoided serious financial difficulties. Moreover, Cleveland is a major financial center of America, in which the headquarters of 25 mighty corporations are located. "City on the Verge of Bankruptcy" is how TIME titled an article on Cleveland. Everything in Cleveland is now going in all directions, the magazine reports. According to estimates, the deficit of Cleveland is \$16.5 million. The financial crisis forced the city's mayor in May 1978 to allocate \$18 million to cover urgent needs. This money was taken from the fund for the reconstruction of the local water supply system, but soon it, too, fell into disrepair: the mains were covered with rust, at any moment the filtration system will break down.... The city now has no money to pay the police and firemen, the schools of

Cleveland are in decay. The city school board made the decision to sell 28 vacant school buildings and 20 parcels of land adjacent to schools....

Boston is experiencing difficult times. City Treasurer James Young, attempting to make ends meet in the \$800 million budget of Boston, proposed to fire 700 municipal employees. "The level of municipal services will steadily decline," he warned. "And this will continue until the state understands that it is vitally interested in the 'health' of Boston." In the words of CENTER MAGAZINE, J. Young also noted: "In most cases the urban programs of the administration suffer from short-sightedness. They are designed to deal with the symptoms of the disease, and not with the very cause of the decay of the cities."

Judging from press materials, there are serious differences on how to set about solving the problem of the cities. A discussion on this theme was launched on the pages of THE NEW YORK TIMES. Some specialists believe that in many destitute regions the decline has gone so far that it is already too late to save them; a single solution is possible here--to evict the inhabitants and use the land for future development.

No way out is visible.

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CSO: 1803

ELECTRONICS IN THE OFFICE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 109-117

/Article by Yu. A. Ushanov/

/Not translated by JPRS/

CSO: 1803

BOOK REVIEWS

Arms Trade Control

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 118-121

/Review by A. V. Kemov of the book "Controlling Future Arms Trade," New York, McGraw-Hill Book Company, 1977, XII + 210 pages/

/Text/ The book under review was published under the aegis of the Council on International Relations within the framework of the Program of the 1980's. In 1975-1976 (before occupying official posts in the Carter administration) C. Vance, current U.S. Secretary of State, Z. Brzezinski, presidential assistant for national security affairs, a number of other people now in management posts in U.S. government institutions (including L. Gelb, now director of the Bureau of Politico-Military Affairs of the Department of State, chief of the U.S. delegation at the Soviet-American talks on the limitation of conventional arms sales and deliveries) participated in the drafting of this program.¹ The authors of the book under review are prominent American researchers. The majority of them are now in responsible jobs in U.S. government institutions, particularly the Arms Control and Disarmament Agency and the Department of State.

The authors analyze the possible versions of the solution of specific questions and make a number of recommendations for U.S. foreign policy in the immediate future. This conforms with the goals and tasks set by the Program for the 1980's. Some provisions of this program are cited on the pages of the book under review. For example, since "many notions, political aims and institutions, which characterized international relations in the past 30 years, are inadequate for the demands of today and for the demands which, as far as is possible to foresee, will be made in the forthcoming period to approximately 1990, it is necessary to determine which changes need to be made in U.S. foreign policy and in the corresponding international

1. See for more detail on this program SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 1, 1978.

'institutions and notions,' in order to eliminate this discrepancy" (pp VII-VIII).

The book reflects the contradictoriness of the approach to the arms trade problem on the part of U.S. ruling circles. At the basis of the contradictoriness is the clash between the self-seeking interests of American imperialism, which it is pursuing by exporting arms, and the objective realities of the modern world, which it can no longer ignore. In the book mainly three aspects are singled out, which constitute the essence of the problem: the global and regional aspects, which are of a political nature, and the commercial aspect. They are different facets of the above-indicated contradiction.

Considerations of the global confrontation with "international communism" headed by the USSR, as the book indicates, occupy the central place in American policy in arms deliveries abroad (p 6). During 1945-1960 nearly the entire flow of American arms was directed to NATO allies and countries located on the perimeter of the borders of the USSR (p 34). At that time "the main goal of U.S. foreign policy--the restoration of the capability of the allies to protect themselves against communism--and the means of achieving it--the offering of the necessary arms--seen to have coincided," write Ann (Kahn), now a staff member of the Arms Control and Disarmament Agency, and Professor (J. Krzel). "Today, since the foreign policy tasks have become contradictory, this coincidence of the goals and the means of achieving them is absent" (p 35). They see evidence of this change in the appearance of new directions of American deliveries. Back in the 1960's only a third of them fell to NATO countries, a fourth went to the members of the aggressive block in South Asia, the remainder went to other recipients, with about 10 percent going to the Near East (p 39). Since 1972 the Near East and the region of the Persian Gulf have begun to receive the lion's share of American arms. During fiscal year 1979 the United States made agreements on the sale of arms for \$9 billion. Of this enormous amount 65 percent fell to the two indicated regions. Israel, Iran and Saudi Arabia have become the largest recipients. Of course, the authors admit, the main goals remain the same in the new directions. Thus, in the Near and Middle East the United States even now is striving to use arms shipments above all "to counteract the influence of the Soviet Union" (p 35).

However, now many circumstances, which require a departure from blind anti-Sovietism and adaptation to the new trends of international life, must be taken into account. Recent decades have provided many convincing examples of the fact that the recipients of American arms have far from always followed strictly the foreign policy of Wash... With the changes in the balance of forces in the world and the fact of a large number of aggressive actions of American imperialism, for years in Korea and Vietnam, the states, which were drawn into military blocs in different parts of the world, are showing less and less willingness to be a tool of the military adventures of overseas strategists and are trying to avoid involvement in a conflict and confrontation with the socialist world. Life itself is

convincing them that there is no "Soviet threat" to their independence and sovereignty.

At the same time the militaristic and reactionary regimes in some countries are trying under the pretext of anti-Sovietism to obtain the latest weapons for achieving their own expansionist aspirations in the corresponding region. Here the possibility arises that American arms will be used not only without the instructions or knowledge of Washington, but also contrary to its interests. A serious danger, which is directly indicated in the book, is that it is not the recipients of American weapons who will serve the goals of the global strategy of the supplier, but, on the contrary, the United States will be drawn into a global conflict for the sake of the goals of those who are using its arms.

Thus, the global aspect, which contains the contradiction between the anti-Soviet goals of American arms shipments and the realization by U.S. ruling circles of the need to control local conflicts and not to allow their development into a nuclear war, is directly interconnected with the regional aspect. The greatest danger of destabilization of the general situation in the world arises precisely on the regional level. And, the book notes, whereas in Europe as a result of the successes of the policy of detente the possibility of armed clashes has been reduced considerably, it remains great in several other regions, where the main recipients of American arms are located: in the Near and Middle East, the Korean peninsula and others (pp 6 and 133).

The book expresses particular apprehension concerning the future of the arms which the United States is shipping to the Persian Gulf countries. The authors point out the unstable domestic economic and sociopolitical situation in these countries, as well as the fact that the foreign policy ambitions of their governments are "uncertain" (pp 83-86). Let us note that the stormy events which developed in Iran in 1978-1979 showed again the instability of the positions of the reactionary pro-imperialist regimes and were once again a reminder that the plans of imperialism, which rely on these regimes, are built on sand. We simply do not know, (Kahn) and (Kruzel) wrote as if on behalf of American policymakers, whether the sale of arms to the Persian Gulf region is strengthening regional stability or weakening it (p 35).

Another, third aspect of the problem--the commercial aspect--is vividly displayed in connection with the sharp increase of the exports of weapons from the United States to the Persian Gulf region. Whereas during the first postwar years arms shipments from the United States were made as gifts or on credit within the framework of "military aid" programs, in the past decade the weapons have been sold, and with a great profit. Some countries receiving revenues from petroleum exports are spending enormous amounts on arms. The Persian Gulf countries, which are participating within OPEC in measures to increase the price of petroleum, seem to be indemnifying the western powers, above all the United States, for the expenditures on petroleum imports by the profits from arms exports. At the same time the United

States is being forced to satisfy the growing military appetites of the petroleum kings in payment for petroleum shipments, for the "moderation" and "responsible approach" of these clients when determining the price for "black gold" within OPEC. This means that the commercial aspect of American exports of means of waging war is assuming an independent importance, while these very exports are coming out from under political control.

With allowance for these aspects of the problem the book makes a number of recommendations with respect to possible steps in the direction of controlling international shipments and sales of conventional arms, which, in the opinion of the authors, could be taken on both the global and the regional levels. They boil down to proposals not to ship and not to sell to specific regions some types of weapons or others, which could "undermine the regional stability." Several of the most technically improved and destructive types and systems of weapons are named, the export of which should be prohibited, it is proposed not to introduce new models of such weapons in the regions where they are not yet present, and so on.

The work under review clearly expresses the opinion about the need for the United States and the West as a whole to hold talks and cooperate in solving the problem of limiting the international sales and shipments of conventional weapons with other powers and, what is especially important, with the Soviet Union. The authors noted in connection with this the favorable experience gained by the Soviet Union and the United States in solving the pressing questions of limiting the arms race and disarmament. This found expression, in particular, in the conclusion of the Nuclear Non-Proliferation Treaty and in the consolidation of the policy of the nonproliferation of nuclear weapons and other treaties and agreements.

However, the attempt by the authors to find a solution to the problem in only one, although very important, field, namely the military equipment field, that is, along the line of specifying the types of systems of arms, the shipments and deliveries of which could be limited by understanding between all suppliers as applied to the entire world or individual regions, reflects the inconsistency of their approach to the problem and the aspiration to ignore its political nature. Behind this there is clearly seen the desire of some American political circles to find a solution to the crisis, which the policy of U.S. arms trade with other countries is going through, without affecting its main cause, without changing the goals of this policy, which run counter to the requirements for the maintenance of international peace and security. The practical and theoretical unsoundness of this approach is obvious.

It is not difficult to see that the higher destructive or combat efficiency of weapons is capable of provoking an outbreak and of increasing the scale and destructiveness of a conflict, but cannot serve as an independent cause of its occurrence. This cause lies in the policy, in the goals of those who possess the arms. To whom is it not clear that the negative consequences for regional and international security of American shipments to the Near and Middle East are connected with the fact that the arms are intended for the

Israeli aggressors and the reactionary Arab regimes? For the present these forces regard military equipment as a tool for implementing their policy, until the arms race in the region is continued, until those who are and might be the victim of aggression and tyranny are forced to purchase arms.

This example reflects precisely the very essence of the problem. Its solution is achievable by way of the rejection of the obsolete dogmas of the Cold War times, which are a danger to universal peace, in the context of the lessening of international tension, the elicitation of the existing centers of military danger and the prevention of the appearance of new centers of this kind. In practice this means that reasonable and precise political and international law criteria should be worked out, which would specify in what situation and with respect to what recipients weapons shipments are valid and permissible (for example, the victims of aggression), and in which should they be prohibited or greatly restricted. Such criteria should be universal and should be based on universally recognized norms and principles of the maintenance of peace and the strengthening of international security, which are recorded in the UN Charter, in the coordinated Soviet-American and other documents of the period of detente, including the Final Act of the Conference on Security and Cooperation in Europe.

The book "Controlling Future Arms Trade" is devoted to an important theme. It contains some suggestions which are aimed at finding opportunities to limit the international arms trade. At the same time a critical analysis of the book shows the shortcomings of the approach advanced in it to solving the problem. This problem is not only of a military and technical nature and is not at all a question of commerce. It is an important question, which directly affects international security. It can and should be solved above all by political means in the interests of peace.

Management Information Systems, Services

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 121-123

/Review by G. B. Kochetkov of the book "Strategic Planning for MIS" by E. R. McLean and J. V. Soden, New York, A Wiley-Interscience Publication, 1977, XVIII + 489 pages/

/Text/ An intensive process of integrating computers, communications systems, office equipment and other types of equipment into a unified system for meeting the demands of management and creating on this basis management information systems and services or MIS is now taking placing in U.S. governmental organizations and in private business.

However, in spite of the obvious advantages of computers, their introduction is being hampered by serious difficulties which have been caused above all by the aggravation of the sociopolitical contradictions in capitalist firms. The dissatisfaction with the economic results of the use of new

equipment is increasing among managers. An analysis made by leading U.S. consulting firms showed that the introduction of computers is leading not to a sharp reduction, but only to a slowing of the increase of management expenses, which has been observed with the overall growth of the corporation. It was a very complicated matter to evaluate the influence of automation on the increase of profits. As a result it was found that capital investments in computers involve a great risk, while the impact from them is not obtained as rapidly as the management of firms would like. Moreover, many companies were faced with a sharp and uncontrollable increase of expenditures on electronic data processing, which is caused by the fact that partial automation does not yield the anticipated results and the complete "computerization" of the entire management cycle is required. Therefore, having embarked on computerization, the company is faced with the need to make a choice: either to halt the automation of management and recognize the erroneousness of the taken course, or to go further, increasing the expenditures for these purposes.

At the same time the introduction of MIS created the material and technical base for the radical realinement of management relations within the organization, which consisted not only in administrative and organizational changes, but also in certain socio-economic transformations. The installation of computers often acted as the first impetus in the accelerating process of subsequent changes. If we also take into account the constant increase of the cost and complexity of the projects for developing automated MIS, the reasons for the interest which was caused by "Strategic Planning for MIS" become obvious.

Its authors have much experience in developing and operating systems of information supply of management labor. E. McLean, a professor of the Graduate School of Management of the University of California, for a long time managed the computer center of this educational institution and did consulting work among leading California companies. J. Soden is one of the partners of McKinsey and Company, a well-known international consulting firm, and a well-known specialist in the area of the planning and development of information supply.

Prior to this several books on questions of planning MIS were published in the United States. However, these books were devoted mainly to questions of planning and responded more to the question "how should one plan" than to the question "how is this done in practice." The main merit of the book being reviewed is the large number of specific examples of how this activity is planned and organized in really existing organizations. The authors of these examples are the managers of the information services of companies and leading governmental organizations with an annual revenue or budget of more than \$1 billion. On the average the expenditures of each of them on developing MIS are more than \$15 million, and in a number of instances exceed \$100 million (pp 64, 66). Each of the organizations, among which are such companies as IBM, Xerox, Mobil Oil and others, has not less than three years of experience of strategic planning in the area in question. The book, which contains such thorough factual material, is being published in the United States for the first time.

The book notes that in the 1970's the introduction of MIS proceeded extremely rapidly. The theory and methodology of constructing MIS and organizing the activity of companies in this area were developed no less rapidly. During the decade the replacement of several "fundamental concepts of the organization of MIS" was noted in the United States (p V). Thus, the point of view, according to which each organization should have attempted to create a so-called integrated system, in which all information resources would be concentrated, was widely recognized some time ago. The experience gained by American firms showed the unsoundness of this approach, at least at the given stage. At present MIS is regarded as a set of independent, but interrelated functional subsystems which encompass the most diverse aspects of management activity.

The attitude toward computers--the central unit of MIS--has also changed. At the beginning of the decade this system was regarded as an invaluable tool in the hands of the managers of the highest echelon, who were responsible for making strategic decisions. Therefore, in the development of automated systems the emphasis was placed on the development of economic-mathematical models and on the methodology of their use. The current approach to the use of computers regards this aspect of introduction only as one of the parts of the entire spectrum of potential uses of new equipment. The introduction of "information technology" affects the most diverse aspects of the activity of the managerial staff and changes not only its structure, but also the dynamic characteristics. The profound connection between MIS and the overall process of development of companies was realized among the managers of American companies precisely in the 1970's. In connection with this the question was raised of the importance of the strategic planning of the processes relating directly or indirectly to MIS. The term MIS is used in the book to designate all types of activity, which involve the introduction and use of computers and other achievements of information technology, that is, it describes a much broader range of phenomena than simply the work of the computer center of a company, and approximates the understanding of MIS as a system of information supply of managers. The authors of the monograph chose the problem of strategic planning (as opposed to long-term and long-range planning) because it makes it possible to get further away from an examination of the technical aspects, as is done in the majority of monographs. In this case strategic planning is understood as the determination of the prospects of all types of activity of a corporation, which are connected with MIS and are aimed at achieving its main goals. In contrast to long-term planning, strategic planning includes as the main stage the determination of the main goals in the area of MIS and their coordination with the general goals of the company (p 9).

The demand for the development of the methods and practice of the formal long-term planning of the activity of organizations in the area of information supply and the development of MIS is steadily increasing among the managers of companies and governmental agencies. This trend is governed by the increasing complexity of the information systems themselves, by the increase of the total expenditures on their development and operation, by the

lengthening of the periods for implementing the projects of the systems, by the increase of the interdependence of the individual functional subsystems and by the formation of common data banks for several subdivisions, production functions, affiliates and so forth and, finally, by the increasing influence of MIS on the outcome of the rivalry. On the whole the advantages from the additional expenditures on the development of special organs for the planning of MIS are unquestionable. They are formed by means of the improvement of the quality of short-term decisions concerning MIS, the stricter and more economical use of the available resources and the improvement of the interrelations between the main organs taking part in the projects of MIS.

The methods being used for formal strategic planning include a wide range of techniques: from various types of quantitative evaluation and the ranking of already known projects to the "drawing out" of ideas at all levels of management within the framework of the comprehensive plan of improvement of the organization. The choice of a specific method, which is used by one company or another, requires the consideration of such factors as the role and place of MIS in the organization, the "degree of maturity" of the organization and service of MIS, the positive experience in using computers, the skills of the management personnel and others.

The authors of the book once again stress the enormous importance of the most active participation of the highest management of organizations in the development and use of MIS. Well-organized strategic planning does not replace business instinct, intuition (p 7). The authors describe in detail the very process of strategic planning, reveal the general concepts and goals of the planning process, give an idea about the organization of the introduction of systems and show the structure and content of the plans of various levels and the durations. An evaluation of the results obtained from strategic planning, conclusions and recommendations follow in the conclusion.

The appearance of such a book is a natural result of the development of "information technology" in the United States. Computers are now being used in many sectors of the economy.

The information and computer networks developed on their basis have gone beyond the individual company and have begun to have a substantial influence on economic interrelations, the forms and methods of competition and in the final analysis on the organization of markets. Powerful information systems, which encompass not only the main services of companies, but also the suppliers and consumers of products, are enabling monopolies to distribute their resources more economically, to obtain an additional profit by means of the exploitation of small-scale employers, who in fact are becoming dependent on their own employers. Many companies were faced with a dilemma: either to purchase computers, in order to be an equal participant in the competition on the computerized market, or to quit the game.

Thus, the automation of management is gradually being transformed from a factor of competition, which initially provided big business with an

opportunity to obtain an excess surplus value, into a factor of compulsion. Highly organized monopolies are becoming more and more interested in having the firms surrounding them have information systems which organizationally and technically are compatible with their own. This enables monopolies to draw more and more completely into their orbit small and medium-sized firms and to exploit them more completely.

Therefore, big business is gradually shifting from the policy of withholding information about the forms and methods of introducing computers to its dissemination. One of the examples of this turnaround is the book under review.

Television in American Life

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 123-126

/Review by A. B. Pankin of the book "Remote Control. Television and the Manipulation of American Life" by F. Mankiewicz and J. Swerdlow, New York, Times Books, 1978, 308 pages/

/Text/ A survey was made among children four to six years old. They were asked, which do you like more, television or papa? Forty-four percent preferred television.

In Chicago in January 1976 a robber broke into an apartment, where a father was with his three children--ages 9, 11 and 12--and in the struggle killed the father. After 10 hours the neighbors, alarmed by the fact that no one had come out or gone into the apartment, called the police. All this time the children had been watching television quietly just a few steps from the body of their father.

A marine, who had fought in Vietnam, stated: "I want to kill a lot of Vietnamese so I can get on television."

These examples are taken from the book "Remote Control. Television and the Manipulation of American Life" (pp 4-8). Its authors, the journalists Frank Mankiewicz, who at one time was the press secretary of R. Kennedy and head of G. McGovern's presidential election campaign, and Joel Swerdlow, whose articles have been published in such well-known publications as THE WASHINGTON POST, HARPER'S and ROLLING STONE, make an attempt to generalize numerous works devoted to the problem of television and to create on the basis of this material and their own research a broad picture of the role of television in contemporary American life, its influence on the psychology, character and world outlook of Americans. In their work the authors examine such vital questions for the country as the increase of violence and crime, the crisis of bourgeois democracy, racial inequality, the struggle of women for equality, the raising and education of the young generation and others, and especially how they are covered or, rather, are distorted on television screens, what new subtleties and measurements television is contributing to these problems.

The universal introduction of televisions in American life in the early 1950's marked the coming of the "age of television." The "television generation" also grew up with it. The authors confirm this with the statistic: 97 percent of the families have televisions, 100 million Americans regularly watch television. The television on the average is on more than six hours a day (pp 6-7). Mankiewicz and Swerdlow cite numerous examples of the fact that many of the representatives of the "television generation" perceive objective reality through the feelings given by television, that often for them the boundary disappears between life and a lifelike television drama (the three children spoken about above treated the murder of their father so lightly in part because for them bloodshed is a commonplace event which has been seen tens of times on the television screen).

Indeed, television with its effectiveness, its ability to show in color, in both documentary and artistic form the life of the country and the events happening in various corners of the planet at first glance is the easiest to comprehend and most "objective" type of information. It is not by chance, the authors claim, that during the period of the unprecedented credibility gap, which has spread to the executive, the Congress, the courts, trade unions, schools and the press, the confidence in television has been increasing. The authors also see in this the danger of so wide a dissemination of television. For 75 percent of the Americans it serves as the source of basic information, for 50 percent--as the source of all information. The authors see the threat of the manipulation of public opinion through television in the main law or, rather, precept of all television companies: to give the viewer information resembling the truth, which has been selected so that it could attract the largest number of viewers, without forcing them in so doing to ponder the real content of the problems. The television viewer, Mankiewicz and Swerdlow write, is a permanent captive of the editors of the programs and in point of fact receives a very one-sided picture of reality.

Take if only, the authors write, the role of television in American political life. "The influence on American politics in the broad sense, including national priorities, social movements, elections and legislation, is difficult to measure," Mankiewicz and Swerdlow write. "Television literally sets the agenda for the country: it determines what Americans will talk about, our alternatives. But what is even more important, it specifies what we should not talk about, the viewer should not know even about the existence of other alternatives, if television does not mention them" (p 78).

As an example of the manipulation of the opinion of Americans the authors cite the problem of school busing. In pursuit of vivid and effective pictures, television described in all the details the cases of racial unrest, which followed the rulings of the courts on school desegregation. The millions of television viewers watching the broadcasts got the impression that the entire country was protesting against these rulings, that the actions of the courts were extremely contradictory and untimely. This gave the conservatives an opportunity to appeal to public opinion in their statements against desegregation (pp 73-74). As a matter of fact, P. Mankiewicz and

J. Swerdlow assert, citing a report of the Department of Justice, there was little racial unrest as compared with the instances when the rulings of the courts were perceived without excesses. However, the peaceful execution of the court decrees was not shown on television screens. As a result the busing of students grew into a national problem.

Another interesting example cited in "Remote Control" is the struggle of women for equal rights with men. The authors attempt to show the evolution of the approach of television to the coverage of this movement. Up to the late 1960's its role boiled down primarily to showing on the screen the "activists" who burned bras and denounced childbearing. Serious questions, of course, were left aside. However, as the women's movement gained strength, the one goal uniting them--the drive for the adoption of the Equal Rights Amendment--appeared, its leaders began to devote serious attention to the potentials of television, considering that such well-known individuals as Congresswomen Shirley Chisholm and Yvonne Braithwaite Burke, sportswoman Billie Jean King and actress Shirley MacLaine were not newcomers to television studios. As a result the movement acquired a certain respectability and in the early 1970's attracted many supporters. Realizing the popularity of the movement, the television companies increased somewhat the number of broadcasts devoted to this problem. However, the cosmetic changes, which were called upon to show the progressiveness of the policy of television corporations and their aspiration to keep in step with the times, were not able to destroy the deep-seated stereotypes. In most "soap operas" and television films the woman continues to be depicted as a housewife who sees her main destiny in serving her husband. This creature is limited and completely dependent. This tendency is displayed in an even more striking form in commercials, the main point of which reduces to the fact that the happiness of a woman depends on how well she cleans the bathroom, prepares dinner and so on.

Another example is the influence of television on the election campaigns. The authors show that during the television age it is becoming the main means of conducting campaigns and the battlefield for voters. The effectiveness of television is so great that it is gradually relegating the party machine to the background. But here, too, television imposes its own laws, above all the aspiration for garishness and sensationalism. As a result the election campaigns are being transformed into a kind of show. On the daily news program the leading candidates are allotted usually from 1 minute 15 seconds to 1 minute 45 seconds. During this time the cameras should show crowds of people, or the landing of the candidate's plane, or the movement of a motorcade, so that the candidate is left 30-40 seconds to explain his position. "Of course," the authors write, "a candidate can make any of his statements neutral, striving to do so in order to maintain the impression of being well-informed and sincere" (p 81). Television debates, by tacit agreement of the candidates and the television companies, avoid pointed issues, for the participants are afraid to make a mistake before the audience of many millions, while the station managers believe that a detailed examination of truly serious problems is "uninteresting" for the viewer. F. Mankiewicz and J. Swerdlow analyze from this point of view the 1976

election campaign—"the first truly television campaign," concluding that during it the problems disturbing Americans essentially were not examined in depth, that in complete conformity with the laws of the television screen Ford and Carter strove to attract attention to themselves, and not to their ideas.

Commercial television in the United States is a flourishing business, which knows no slowdowns and does not suffer from inflation. The main source of revenue is advertising. All the major television companies are waging fierce competition for the advertiser: any television broadcast--be it an edition of the news or a variety show--is required above all to give the maximum number of viewers, potential customers, for winning round by advertising. And although the station managers at times can take the liberty to squabble with the advertiser, it is clear that the television bosses, the most prominent monopolists, far from desire to cut the branch on which they are sitting and, on the contrary, carefully water the sapling which brings them enormous profits.

The work of the well-known American authors on the role of television in the United States does not claim to be a comprehensive, thorough or theoretical analysis of such a phenomenon as television. It also does not lay claim to the novelty of the analysis of the theme and the conclusions stemming from it. Indeed, the number of works on American television, which have been published of late in the United States alone, can compete only with the number of monographs on the increase of crime in this country. And all the same the authors did not turn to this theme by chance. Television is becoming more and more a part of American life. In hotels or motels, the authors write, the water taps might break down, but the television is in good working order everywhere. But in working, it carries everywhere its deliberately distorted picture of reality and garbled facts and takes advantage of primitive instincts. That is why F. Mankiewicz and J. Swerdlow conclude the book on a pessimistic note: "Nothing in our research and in the interviews we made shows that commercial television programming in the United States will change in the foreseeable future. Until that time, since the television industry is based on the drawing of an audience to offer it to the advertiser, the existing trends will predominate in one form or another" (p 279). The authors do not propose any specific actions, claiming that their task is only to attract public attention to the problem of television. To tell the truth, it has very nearly become the vogue in America now to appeal to public opinion. How effective these appeals are is another matter.

Detective Agencies

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79
pp 126-127

/Review by O. L. Stepanova of the book "Spooks. The Haunting of America--The Private Use of Secret Agents" by Jim Hougan, New York, William Morrow and Company, 1978, 478 pages/

/Text/ Apart from the agents of the FBI, the CIA, the National Security Agency and the intelligence agencies of the Department of Defense and the Internal Revenue Service, the author writes, about 32,000 detectives who have licenses to perform detective work on a private basis and more than 4,000 firms, which specialize in various types of "secret work," are operating in the United States (p 16). The number of private detectives increases significantly if we also take into account the people not registered anywhere, who work according to written agreements or verbal contracts. They are all accountable to no one except their employers.

Such "spooks," who conduct secret surveillance, can be encountered everywhere--in stores, banks, railroad stations and airports, among employees and workers of enterprises. Determining the frames of mind of their colleagues, the secret agents inform their employers about the strikes or job actions being prepared, as well as about the activists of the working class movement.

The "spooks'" own element, J. Hougan writes, is tailing using the most subtle methods: wire tapping, bugging, the opening and inspection of correspondence, break-ins, the gathering of information concerning the private life, views and affiliation of U.S. citizens with one organization or another, finally, blackmail (including industrial blackmail), as well as direct provocations.

As to listening devices, Hougan reports, for every microphone installed by government agencies there are 300 which have been installed by private spying services (p 17). Bugging equipment has reached such heights that private detectives can listen in to and record conversations conducted in the homes of the people under surveillance, even without violating the law. The point is, the author notes, that "surveillance equipment has overtaken the evolution of the laws intended to regulate it..." (p 18). In other words, modern bugging equipment is not indicated in the list of methods prohibited by current legislation.

America, the author notes, is acquiring the traits of a society, in which universal suspicion and increasing nervousness are giving rise to serious misgivings concerning the future.

Hougan also cites data to the effect that members of the FBI, CIA and other government agencies are "combining" their main job with the filling of

orders of private employers. This "dangerous practice," he emphasizes, "often places them in direct conflict with the goals of the establishments in which they serve." Here are two examples from the book under review: in one case agents of the Drug Enforcement Administration were hired to cause the failure of a bugging device in the home of a person suspected by their own administration of the criminal importation of heroin; in the other case a CIA employee help an aircraft firm bypass an embargo imposed by the United States and to sell its products in the PRC.

Moreover, other such employees are used for penetrating government institutions for the purpose of getting hold of secret data. "The leaking of secret information... often paralyzes the activity of government agencies" (pp 20-21).

Some large firms, for example International Telephone and Telegraph (ITT), spare no money on bribing civil servants in the United States and other countries, who have access to important documents. At times employees also perform jobs for future benefit, knowing that the information at their disposal may be of use in the future for a generous employee. Least of all is known, the author writes, about the activity of these people with "dual loyalty." Of all the "spooks" they are the most invisible and, in the opinion of the author, the most dangerous.

The author recognizes the need to combat the described practice, which is violating the elementary rights of American citizens. At the same time, in telling in detail about what scale the spying on and surveillance of U.S. citizens have reached, Hougan seems to suddenly remember: "I do not at all mean that we are all under surveillance most of the time. No, that is not the case. Nor do I believe that our society has begun to resemble a corporate police state. This is not so." The United States has been able to avoid such a fate, in the opinion of the author, owing to its "democratic institutions" (p 18).

The nightmare is dispelled by the wave of a magic wand, and the reader is again faced with a "basically healthy" society, the "democratic institutions" of which protect the peace of citizens.

At the same time the author understands that his reservations are unconvincing, to say the least. "We all," Hougan writes, "are paying for the corruptness of our elections, for the possibility of compromising us in private life, for our foreign policy, which is becoming the slave of corporate intrigues" (p 19).

Economic Relations With Developing Countries

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 5, May 79 p 127

/Review by F. A. Goryunov of the book "Vneshneekonomiceskaya politika imperializma i razvivayushchiyesya strany" /The Foreign Economic Policy of Imperialism and the Developing Countries/ by A. S. Kodachenko, Moscow, "Nauka", 1977, 311 pages/

/Text/ Without oversimplifying the entire complex of complicated interrelations of the West with the developing countries, the author examines them in the context of the main direction of world development--the increasing struggle of all progressive forces for the social reorganization of the world.

The breakup of the economic system of imperialism is an objective demand of the era. According to the estimates of A. S. Kodachenko, in the early 19th century the difference between the per capita incomes on the territories which have now achieved independence and in the industrially developed capitalist countries was equal to 1:2. By 1970 it was 1:13, and in 1975 1:15. In spite of the objective necessity to "pull up" the economy of the developing countries to the structure of the economy of the West, which is being modernized during the scientific and technical revolution, most of the developing countries remain its economic periphery. The more flexible forms of neocolonial exploitation, which are concealed by the publicity cloak of "equal partnership," are slowing economic and social progress. The book convincingly shows: only the consistent struggle against imperialism and the noncapitalist path of development are capable of solving the economic and social tasks which the developing countries striving for economic independence are setting for themselves.

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